

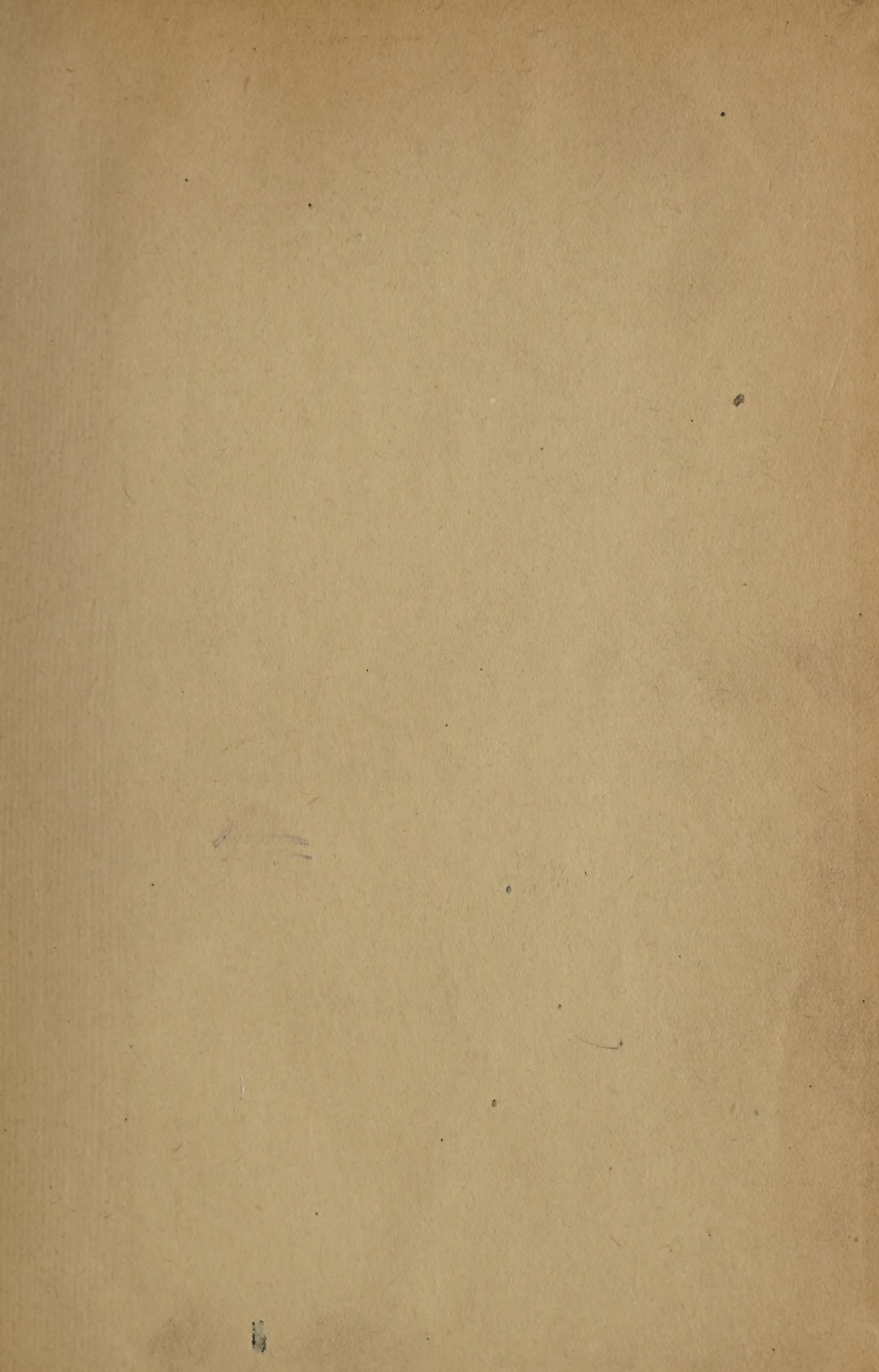
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CITY APPROPRIATION

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NEW SYSTEM REPORT

and

AUDIT OF ACCOUNTS

:: :: :: OF THE :: :: ::

City of Hoboken, N. J. *Fin*

MAY, 1906 TO MAY, 1910

EUGENE SHINN and HARRY F. SHINN

PRODUCTION ENGINEERS, SYSTEMATIZERS,
COST AND SPECIAL ACCOUNTANTS

MUNICIPAL DEPARTMENT

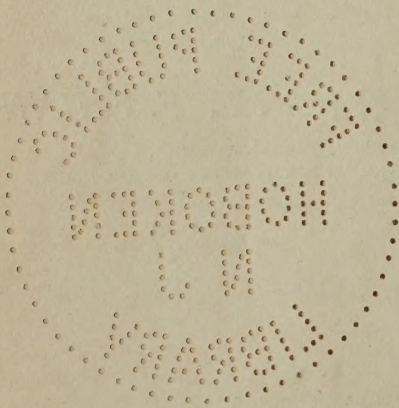
HUDSON OBSERVER PRINT

Hoboken, N. J.

1911

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New York City, June 28, 1911.

To the Honorable Mayor and Common Council, Hoboken, N. J.:

Gentlemen—We beg to submit our final report of the audit of the accounts of your city, from May 6, 1906, to May 2, 1910, and of the system and method of operation devised and installed in the various Departments.

Before going into detail, we think it best to incorporate herein our first preliminary report as best showing the conditions existing at the beginning of our work.

The report follows:

PRELIMINARY REPORT.

Hoboken, N. J., June 10, 1910.

To the Honorable Mayor and Honorable City Council, Hoboken, N. J.:

Gentlemen—After a partial examination of the records, methods and system in the offices of the City Treasurer, City Comptroller, Collector of Revenue and Sinking Fund Commissioners, we submit the following preliminary report:

The same methods are in use to-day in the Treasurer's and Comptroller's office, that have been used in the said offices for many years past.

The Comptroller is the chief financial officer of the city, and as such should have an absolute record of all the affairs of the city, so as to control them in the manner directed by law.

He has not received all data in the past, and does not now have the necessary control.

There will be a complete remodeling of the method and system in this office.

The Treasurer's records partially combine the duties of the Treasurer and Comptroller. The methods and system will be remodeled in this office.

The records of the Sinking Fund Commissioners show no entries of value.

The records of the Revenue Collector are the most complete of any that have been examined, and will require but little adjustment.

It will be necessary to make a thorough audit and adjustment of the affairs of the city, but after an exhaustive preliminary examination, the opinion formed the first day of said examination, and which was expressed to some of the officials of the city, is more than confirmed, viz.: That the credit of the city is good; that there is absolutely no cause for alarm as to the results of operation of the municipality, or as to any deficits that may exist, as said deficits would be subject to adjustment under the law; that the results of operation as shown on the books of the Treasurer, as indicated by "Unexpended Balances" and "Overdrafts," have been caused by wrong interpretation of the law and improper methods used, as will be noted further on, all being considered without reference to fraud.

The fundamental principal of municipal accounting is that all municipal accounts are based exclusively on appropriated amounts.

The sum total of appropriations for the annual operation of all municipal departments, plus appropriations for Sinking Funds, Interest Charges, etc., less estimated revenue from all sources, is the annual charge against the ratables of the city, and is known as taxes for the specific year under consideration.

Appropriated Amounts can never exceed taxes charged, if the accounts are in balance.

Appropriated Amounts is the liability of the city under due operation of law, to the

various departments or branches of government, and the taxes or total annual charge against the ratables or taxpayers is the asset to balance the liability incurred.

One cannot be considered without the other.

The taxes and appropriations for each year are as separate and distinct as if they were the taxes and appropriations of two different municipalities, and the accounts and cash representing the said taxes and appropriations come under the same rule, and each year's operation is open and closed within itself.

It is well to bear in mind this fact, viz.: The non-compliance with this rule has caused practically all the irregularities that may be found in the operation of the affairs of the city, as evidenced by the records and cash.

The collection of cash by the Revenue Collector has been properly distributed on the records of his said office, and have been so distributed on the Cash Book of the Treasurer, but have not been entered into proper accounts on the Ledger of the Treasurer.

The most serious error of principle in the Treasurer's office is that it has carried all Cash Accounts, and held all actual cash as one account and one sum, to be drawn upon and paid from, at will.

This fact has caused most of the trouble in the financial affairs of the city.

Had the Cash Accounts and Cash been segregated and held separately for Tax Arrearage Account, Assessments, Sinking Fund, Interest, General and other purposes, no overdraft or transfer could have been made, and the city would have been compelled legally to provide Cash for operating expenses or other purposes as it became necessary and due, and not have borrowed from the Assessment and Sinking Funds.

The law confers ample power upon the Council in the handling of its affairs, but we are led to believe that the Council has not been properly notified of the financial affairs of the city, and naturally, by reason of the omission, could not act as directed by law.

The Treasurer's books, being the most complete of the affairs of the city, show that the accounts as entered are in balance.

The Treasurer's Ledger in Sundry Accounts show overdrafts in the payment for construction of assessable improvements, amounting to \$158,680.57.

It also shows balances of collections in Sundry Accounts from assessable improvements, amounting to \$7,973.10.

Investigation of the Assessments Maps and Accounts in the office of the Revenue Collector show a most remarkable condition of the assessments for improvements, viz.:

Every assessment was promptly collected, and is closed with the exception of five (5) improvements as follows:

MADISON STREET, between Eighth and Ninth streets, for grading, paving and sewer-ing, is not due until June 12, 1910.

MADISON STREET, between Eighth and Fifteenth streets, for grading, curbing and sidewalks, due May 25, 1909, has been largely paid, the balance due being \$377.20.

The total cost of this improvement was \$31,839.70, and the small balance due indicates how closely the assessment was collected in a short time.

ADAMS STREET, between Sixth and Eighth streets, for grading, paving, etc., due April 16, 1906.

The total cost of this improvement was \$6,044.93, and the balance uncollected is \$412.72.

MADISON STREET, between Fifth and Eighth streets, for grading, paving, curbing and flagging, due March 20, 1908, and the balance due being \$782.88.

The total cost of this improvement was \$12,629.87.

ADAMS STREET, between Eighth and Ninth streets, for sewer, grading, paving, curbing and flagging, due January 14, 1908.

This assessment was certiorated by the Hinde & Dauch Paper Co.

The balance due on this improvement is \$2,736.64.

The total cost of the improvement was \$14,458.89.

The total due on all uncollected assessments amounts to only \$4,309.44.

This condition is most unusual and speaks well for the credit of the city, and its taxpayers.

The condition would be difficult to duplicate in a large percentage of municipalities.

The Mayor and Council under the law, at various times, on account of, and for unpaid taxes, have bought in property, but every piece has been redeemed, and the city, through its proper officers, does not hold a piece of property sold for taxes or assessments.

This is another very unusual condition, and speaks well for the credit of the city and its taxpayers.

The loss by reason of the acts of the Adjustment Commissioners will have to be adjusted with the other affairs of the city.

The assessments being properly collected there should not have been any difficulty in meeting the payment of the Certificate of Indebtedness for said improvements.

The collections by the Revenue Collector have apparently been given proper credit on the Treasurer's books, but will be checked in full for proof.

However, the Cash Accounts of the collections from assessments have been considered as a General Cash receipt, and deposited accordingly. As stated, this is apparently the cause of the overdraft.

Cash deposited in the various banks should be deposited to the credit of a specific account in said bank, and should be treated by each bank as a specific fund or account.

Direction has apparently never been given the banks to properly segregate deposits into accounts or funds

Had the collection of assessments been deposited and credited as an assessment cash account, money could have been drawn from it for the payment only of preliminary expenses of improvements or Certificates of Indebtedness issued for payment of contract for improvement.

There would undoubtedly have been sufficient money at all times to meet outstanding certificates, providing the total cost of improvement had been charged into the assessment by the Commissioners of said improvement, and they apparently provided for all legal first cost of improvement, but not interest for the first two years.

The interest on certificates in excess of time calculated on, usually two years, was an added liability also not contemplated.

Drawing regular interest under the law, the certificates were not presented by the holder until finally called in by the authorities, and enormous sums of interest, amounting in some cases to nearly the face value of the certificate was paid by the city.

Provisions for the payment of the enormous additional amount of interest had not been made or charged into the cost of the improvement or otherwise, and consequently could not be collected from the property, and as the error was apparently that of the system of the city, it must be made good by the city.

Had proper method been used in the handling of the Cash and Accounts, the interest charge would have accrued on loans from Assessment Account to city.

Again, the annual appropriations through the operation of the budget must be placed to the credit of the Departments, and paid on demand within the year.

If the taxes levied each year are not collected within the required time, the law makes ample provision for raising the necessary amount by the issue of Temporary Loan Bonds, in anticipation of the collection of taxes.

If sufficient money is not received from Uncollected Taxes to redeem the Temporary

Loan Bonds at maturity, then the Tax Arrearage Bonds are issued for the amount remaining uncollected.

Reductions or cancellations of taxes by the legally constituted Board or Court order resulting in a deficit of taxes in any specific year, is legally provided for in the next annual budget, or through a bond issue, as the law directs.

Advantage has not been taken of the law, which covers every possible emergency, but the city has financed its operation and obligations within itself, by the use of its Sinking Fund and Assessment money.

This financing within itself has saved some interest, but has also been the cause of loss to the Sinking and Assessment Funds, from which funds the money was principally taken.

After detailed audit of all tax budgets, as represented in the ordinary accounts or appropriated amounts, and of the various public improvements, as represented in the assessment accounts, and the proper adjustment of said accounts, the loss will fall principally upon the Assessment Accounts, but even this may be small, for if the city borrowed from these funds they are entitled to interest, which will offset excess interest paid on the certificates.

The net deficit to the city will depend upon the adjustment of Uncollected Taxes, deductions and cancellations by lawful authority, and "Unexpended Balances," as represented in the accounts of the city.

If there is sufficient gain from the amount added by law to make good deficits, and from excess interest received from arrears of taxes over interest paid on loans, the loss will be balanced. If not, it must be made good according to law.

This extra charge made to take care of deficits has never been recognized and entered into specific accounts by either the Treasurer or Comptroller.

It undoubtedly now amounts to an enormous sum.

The exact amount collected or charged on account of this item will have to be determined and entered as a surplus account, it being in excess of all appropriated amounts each current year.

The deficits of taxes and any other deficits resulting from legal deductions and cancellations mentioned in this report, from 1897/98 to date, amounting to \$340,683.40, which have never been entered in the accounts of the Treasurer and Comptroller, will have to be properly entered by said offices, and offset by the collections received for making good said deficits.

There apparently will be quite a sum remaining in the Surplus Account which may be used to offset the excess interest paid on Certificates of Indebtedness.

The Sinking Fund Accounts have not been properly kept, and are minus much information which we have worked out.

The books of the Treasurer show that there is a balance due Sinking Funds by the city on principle alone of \$291,835.00.

We find that there was loaned by the Sinking Fund in 1903 to the city, for the purpose of paying claims, \$15,000.00

The loan was made from "Uptown Street Improvement, Series A" fund.

When repaid, it was credited on the books of the Treasurer to the "General Sinking Fund" account, instead of "Uptown Street Improvement, Series A" account.

This inflated the "General Sinking Fund" account \$15,000.00, and on May 2, 1910, it showed a balance of \$18,956.36, instead of \$3,956.36, which legally belongs to it.

The balance being reported as \$18,956.36, there was taken from the "General Sinking Fund" account, through the operation of the budget, \$6,286.55 for the tax fiscal year 1910-11.

This would make an overdraft in the "General Sinking Fund" of \$2,330.19, when we consider the balance as being only \$3,956.36.

This is not legal, and should be corrected by an adjustment of the tax budget before the rate is declared.

The addition of \$15,000.00 to "Uptown Improvement Series A" would increase the total due the Sinking Funds to \$306,835.00.

The Sinking Fund Commissioners have invested by deposit in bank drawing interest, \$14,000.00 of Sinking Fund money belonging to School No. 8, and this is the only sum which is regularly drawing interest, except as noted further on.

This investment added to the \$306,835.00 makes a total of \$320,835.00 of installments belonging to the Sinking Fund, this being divided into twenty-two (22) accounts.

The annual installments for Sinking Fund purposes, provided through the operation of the budget, should have been immediately turned over to the Commissioners for investment at the beginning of each year so that they could at once commence to work and earn the interest calculated upon, which should have been sufficient to redeem the bonds at maturity.

This was not done.

The Sinking Funds on a basis of investment of three and one-half per cent. ($3\frac{1}{2}\%$) for each installment provided, calculated according to Sinking Fund investments, was entitled to \$60,859.47 interest at the close of the fiscal year, May 2, 1910.

The books of account show that there was \$36,000.00 of authorized installments in the Sinking Fund for "School House No. 6."

On this sum there was accrued interest of \$12,701.74, which sum is included in the total interest accrued of \$60,859.47.

To the \$36,000.00 in said Sinking Fund there was added in the budget of the present current year \$4,000.00, making a total of \$40,000.00 in installments to redeem the \$100,000.00 of School No. 6 Bonds, due July 1, 1910. \$60,000.00 of said bonds are to be refunded.

Should the \$12,701.74 accrued interest not be entered in the accounts, on account of the \$100,000.00 being provided for as above, the accrued interest due the Sinking Funds as calculated would be reduced to \$48,157.73.

This matter should be determined by the Sinking Fund Commissioners.

If not used, the Sinking Fund installments, plus accrued interest, would amount to \$368,992.73.

If used, the Sinking Fund installments, plus accrued interest, would amount to \$381,694.47.

In addition to the \$14,000.00 deposited in bank, the Sinking Fund holds Temporary Loan Bonds amounting to \$26,712.83, on which there is accrued interest and payments of \$2,109.36.

If the Sinking Fund money, as well as money received from assessments was necessary to pay operating expenses, it should have been asked for by Council, granted by the Sinking Fund Commissioners, and when loaned, bonds to cover the loan should have been issued by the city at a specified rate of interest.

In this manner, semi-annual interest on the loans would have been regularly collected and subject to reinvestment, and the law requiring the Sinking Fund Commissioners to invest in City, County and Government bonds would have been complied with.

We would suggest that the various Sinking Fund installments, plus accrued interest to date for each separate fund, be made good by the issue of bonds, signed by the proper officers of the city, and these bonds be turned over to the Sinking Fund Commissioners.

Annual interest will then have to be provided through the budget, and the Sinking Funds will receive proper returns.

In the past sufficient provision has not been made through the budget to redeem some of the bonds when due.

In other cases an excess has been provided.

There was provided in the budget of 1910-11 for Sinking Fund purposes, \$54,000.00, which includes \$3,500.00 for retirement of Bonds for Cleaning Sewers. Said Sewer Installment to be included in the Annual Budget for four years.

Our data worked out shows that there must be an annual Sinking Fund installment provided from 1911-12 into the future, amounting to a net increase of \$42,205.00.

In other words, instead of a net installment for Sinking Fund purposes amounting to \$54,000.00, as provided the current year, there will have to be provided \$96,205.00 next year, and succeeding years, and changed annually thereafter as bonds are redeemed or issued.

This data is now ready for consideration by the proper authorities.

There are debit balances on the Treasurer's Ledger of \$234,082.27, presumably representing cash balances of appropriated amounts, bond issues, etc.

The balances are misleading.

Up to the tax year 1896-97 the apportionment of taxes collected was entered in the accounts and was actual cash received.

From the tax year 1897-98 to the present year the method of procedure was changed.

The appropriated amount of each account for each tax year was debited to the account and credited with payments on account for each particular fund.

The balances of accounts was carried forward from year to year, so that the balances of accounts as shown on the Treasurer's books, May 2, 1910, represent balances of appropriated amounts as entered in the annual budget for thirteen (13) years.

It is true that the law allows the transfer and use of Unexpended Balances, but it is also true that the law should have been complied with, and actual cash provided to meet appropriated amounts, which in every year must be expended or disposed of under the law.

Cash was not provided and the Unexpended Balances are in part book entries, and not regular cash entries, as presumed under the law.

It must be understood that we are considering the Treasurer's Accounts, and his accounts should represent cash items, which they do not in their entirety.

The Comptroller's Accounts should deal with and include both cash and appropriated amount accounts, but these are not complete on the Comptroller's books.

As the accounts of the Treasurer's books should be Cash, but are not, they are subject to much adjustment.

The Cash entries in the "Unexpended Balances" accounts are as follows:

\$8,029 04	from Hoboken Cemetery Fund and subject only to uses specified.
3,956 36	actual balance for General Sinking Fund, and used for Sink-Funds only.
98,248 94	from bond issues, and to be used for specific purposes.
1,237 60	from Building Inspector.

Total.....\$111,472 02

This leaves a balance of \$122,610.25 of Appropriated Amounts on the Treasurer's books carried forward, and apparently not represented by cash collected in regular form.

If this balance, \$122,610.25, of Appropriated Amounts apparently not represented by specific cash transactions, proves to be so after the necessary audit, and if all liabilities

against each specific fund are paid, then these balances are subject to adjustment, and may possibly be closed out according to law, without further obligation on the part of the city. This will reduce what appears to be a deficit on the books of accounts.

With the question of "Unexpended Balances" will also have to be considered the question of "Tax Deductions and Cancellations."

The controlling account on the Treasurer's Ledger is the "Floating Fund" account.

This shows a credit balance of \$499,194.96 carried forward year by year since 1897-98.

Into this account has been credited the "Appropriated Amounts" during the period under consideration.

Cash Collected on Account has been debited to the "Floating Fund" account, and the credit balance of \$499,194.96 represents the excess of "Appropriated Amounts" over collections, etc., providing it develops by analysis that no omissions have been made.

In the adjustment of the affairs of the city, if all "Appropriated Amounts" have been carried into the "Floating Fund" as a liability, we must consider the balance of "Uncollected Taxes" as the asset account for the same period.

This is according to law, and the well recognized principle that assets and liabilities, or receipts and disbursements, must be for the same period.

As previously shown, "Appropriated Amounts" is the basis of municipal accounts, and must be in absolute balance with taxes.

The uncollected taxes for the period 1897-98 to date is \$521,821.65, mostly collectable.

As all appropriations are included in the balance shown in the "Floating Fund" we must also consider taxes deducted or cancelled legally, until we can adjust the account.

The taxes deducted and cancelled during the same period as shown on the books of the Revenue Collector is \$340,683.40.

This makes a total of \$862,505.05 to be considered in the adjustment as the asset of all accounts.

In the adjustment of the Credit Balance or Liability Account, as shown by the "Floating Fund," amounting to \$499,194.96, and the asset of uncollected and cancelled taxes of \$862,505.05, must be considered the amount added to the budget under the law which has varied from four to ten per cent., and which was collected for the purpose of making good any losses or deficiencies.

There must also be considered the excess interest collected.

No liability of the city could even be mentioned, let alone considered, without bringing in the asset of uncollected taxes.

It is practically the only current asset the city has.

It is the most valuable and tangible asset under the law.

Apparently the railroads have paid to the State for taxes due the city a balance of \$47,836.24 for 1907 taxes; \$53,388.29 for 1908 taxes; and \$85,039.27 for 1909 taxes; or a total of \$186,263.80, which sum we would suggest the proper authorities to get from the State at once, as it has not been turned over to the city.

We would finally suggest that all collections from taxes from this date be placed into a proper account and not disbursed except for the liquidation of the liabilities to the Sinking Fund, Assessment, or other proper account as audited.

As the city is required to borrow money for operating expenses between the beginning of the fiscal year, viz.: the first Monday in May to December of said year, that your Honorable Body take up the question of temporary loans for operating expenses at once.

If bonds to cover amounts due to the Sinking Funds be issued, they can be redeemed from collections as above as fast as possible, and the Sinking Fund Commissioners can then reinvest in other legal bonds, and the financial affairs of the city will commence to run in their proper channel at once.

After due consideration of all matter which legally enter into the question, it is not possible to say that there is a deficit in the financial affairs of the city.

Should there be, it probably was legally created, but not legally taken care of each current year, as directed by law.

Respectfully submitted,

(Signed) EUGENE SHINN.

THE CITY TREASURER.

The books of account of the City Treasurer were found to be in balance May 2, 1910.

As a basis of all future calculations, we drew off the Trial Balance of said Treasurer's Ledger.

A Trial Balance of the City Comptroller's Ledger was also drawn at the same time.

The Treasurer's Ledger was not in accord with the Comptroller's Ledger, and could not be readily reconciled on account of the difference in classification of accounts.

It was found, as stated under another caption, that the Treasurer entered and combined as one account a number of the appropriated amounts, while the Comptroller had practically a separate account for each appropriated amount.

To reconcile the accounts as between the Treasurer and Comptroller, a detailed analysis of the entries of both offices was necessary.

All warrants issued were distributed numerically, carefully analyzed as to date, amount, payee, signatures, countersignature and endorsement, and checked into the Cash Books and Ledger, and the Ledger accounts balanced.

We transferred the entry of many warrants from one account to another in order to reconcile the accounts.

We submit "Treasurer's Exhibit No. 1" showing the Trial Balance of the Treasurer's Ledger.

TREASURER'S LEDGER—TRIAL BALANCES.

May 2, 1910, before the reconciliation and adjustment of the Treasurer's and Comptroller's accounts, and after the adjustment and reconciliation had been made between the books of the two offices.

Name of Account.	Debit Balances.	
	Before Adjustment with Comptroller.	After Adjustment with Comptroller.
Adams Street Improvement,		
Fourth and Fifth streets.....	\$528 31	\$528 31
Adams Street Improvement,		
Fifth and Sixth streets.....	694 22	694 22
Adams Street Sewer,		
Second and Third streets.....	968 91	968 91
Adams Street Sewer,		
Sixth and Eighth streets.....	1,508 28	1,508 28
Adams Street Improvement,		
Sixth and Eighth streets.....	3,786 90	3,786 90
Adams Street Improvement,		
Eighth and Ninth streets.....	1,299 84	1,299 84
Clinton Street Sewer,		
Third and Fourth streets.....	766 73	766 73

Clinton Street Sewer,		
Eighth and Twelfth streets.....	1,605 87	1,605 87
Eighth Street Improvement,		
Jefferson and Jackson streets.....	223 14	223 14
Eighth Street Improvement,		
Jefferson to W. Boundary.....	720 03	720 03
Eleventh Street Improvement,		
Clinton street to W. Boundary.....	180 90	180 90
Eleventh Street Improvement,		
Clinton to Madison streets.....	441 05	441 05
Eleventh Street Improvement,		
and Clinton Street Improvement.....	1,104 62	1,104 62
Ferry Street Sewer,		
Jeffeson to Jackson streets.....	1,079 87	1,079 87
Ferry Street Improvement,		
Jackson to Monroe streets.....	11 00	11 00
Ferry Street Improvement,		
Monroe street to W. Boundary.....	89 50	89 50
Fourth Street Improvement,		
Monroe to Marshall streets.....	5,464 64	5,464 64
Fourth Street Improvement,		
Jackson to Monroe streets.....	107 77	107 77
Fourth Street Improvement		
Clinton street to W. Boundary	13 75	13 75
Fifth Street Improvement,		
Madison to Jackson streets.....	1,062 60	1,062 60
Fifth Street Improvement,		
Jackson to Monroe streets.....	10 45	10 45
Fifth Street Improvement,		
Adams street to W. Boundary.....	7,716 19	7,716 19
Fifth Street Improvement,		
Grand to Madison streets.....	1,148 57	1,148 57
Grand Street Improvement,		
Second to Third streets	355 35	355 35
Grand Street Improvement,		
Sixth to Seventh streets.....	652 73	652 73
Grand Street Sewer,		
Sixth to Seventh streets.....	1,568 95	1,568 95
Grand Street Sewer,		
Seventh to Eighth streets.....	291 73	291 73
Grand Street Improvement,		
Seventh to Eighth streets.....	243 33	243 33
Harrison Street Sewer,		
First to Second sterets.....	514 79	514 79
Harrison Street Improvement,		
First to Second streets.....	1,326 97	1,326 97
Jackson Street Improvement,		
Second to Third streets.....	164 62	164 62
Jackson Street Improvement,		
Third to Fifth streets.....	94 61	94 61

Jackson Street Improvement, Fourth to Fifth, and Fifth street, Jackson to Madison streets.....	636 87	636 87
Jackson Street Improvement, Fourth and Fifth streets.....	148 43	148 43
Jackson Street Improvement, First and Second streets.....	706 93	706 93
Jackson Street Improvement, Newark to First streets.....	2,923 72	2,923 72
Jackson Street Improvement, Second to Fourth streets.....	4,950 00	4,950 00
Jackson Street Sewer, Second to Third streets.....	667 61	667 61
Jackson Street Sewer, Third to Fifth streets.....	217 90	217 90
Jackson Street Improvement, Fifth to Eighth streets.....	791 83	791 83
Jefferson Street Improvement, Fourth to Fifth streets.....	11 00	11 00
Jefferson Street Sewer, Fifth to Eighth streets.....	2,577 78	2,577 78
Jefferson Street Improvement, First, Second and Third streets.....	1,349 79	1,349 79
Jefferson Street Improvement, Third to Fourth streets.....	387 81	387 81
Jefferson Street Improvement, Fourth to Eighth streets.....	402 01	402 01
Jefferson Street Improvement, Fifth to Fourteenth streets.....	17,293 15	17,293 15
Monroe Street Improvement, Fifth to Eighth streets.....	768 85	768 85
Monroe Street Sewer, Fifth to Eighth streets.....	676 10	676 10
Monroe Street Improvement, Fourth to Fifth streets.....	96 57	96 57
Monroe Street Sewer, Fourth to Fifth streets.....	497 58	497 58
Monroe Street Sewer, First to Fourth streets.....	7,144 11	7,144 11
Monroe Street Improvement, Second to Fourth streets.....	1,247 92	1,247 92
Monroe Street Improvement, Fourth to Eighth streets.....	7,999 78	7,999 78
Madison Street Improvement, Second to Fifth streets.....	2,269 37	2,269 37
Madison Street Improvement, Eighth to Ninth streets.....	65 64	65 64
Madison Street Sewer, Fifth to Eighth streets.....	6,036 44	6,036 44
Ninth Street Improvement, Willow to Clinton streets.....	107 25	107 25

Paterson Avenue Improvement,		
Jackson to Harrison streets.....	93 50	93 50
Paterson Avenue Improvement,		
Ferry street to W. S. R.	492 65	492 65
Second Street Improvement,		
Madison to Jackson streets.....	316 0	316 30
Second Street Improvement,		
Jackson to Marshall streets.....	471 31	471 31
Seventh Street Improvement,		
Clinton to Jefferson streets.....	310 12	310 12
Seventh Street Improvement,		
Clinton street to W. Boundary.....	3,742 24	3,742 24
Seventh Street Improvement,		
Jefferson to Jackson streets.....	393 08	393 08
Sixth Street Improvement,		
Adams to Grand streets.....	76 42	76 42
Sixth Street Improvement,		
Adams to Monroe streets.....	347 45	347 45
Sixth Street Improvement,		
Grand street to W. Boundary.....	2,332 89	2,332 89
Third Street Improvement,		
Madison to Marshall streets.....	2,970 66	2,970 66
Third Street Improvement,		
Adams to Monroe street.....	1,265 76	1,265 76
Third Street Improvement,		
Madison to Monroe streets.....	77 63	77 63
Thirteenth Street Improvement,		
Willow to Madison streets.....	5 16	5 16
Old Street Improvement Certificates.....	48,468 38	48,468 38
Old Street Improvement Certificates.....	1,596 36	1,596 36
<hr/>		
Total Debit Street Improvements.....	\$158,680 57	\$158,680 57
<hr/>		
No. 9 School Bond Account.....	\$256 25	\$256 25
Pipe Sewer	433 75	
License Account	15,501 73	15,501 73
Arrears of Taxes Fund.....	1,415 66	1,415 66
New Fire House—Fifth Ward.....	92 40	92 40
Law Books for District Court.....	42 50	42 50
Redemption City Bonds.....	2,386 48	2,572 94
Engine House—Hudson street.....	6,988 62	6,988 62
Interest on Temporary Loan Bonds.....	4,144 86	4,144 86
Redemption Ravine Road Sewer.....	11,537 09	11,537 09
Sewer Cleaning and Repaving (Loan Acct.)	14,000 00	14,000 00
Public Ground and Building.....	4,763 04	
Floating Fund.....	499,194 96	499,194 96
		17 81)
Cash in Bank and Office.....	96,398 03	96,398 03)
<hr/>		
Total Debit Account before and after		
Adjustment	\$815,835 94	\$810,843 42

Name of Account.	Credit Balances.	
	Before Adjustment with Comptroller.	After Adjustment with Comptroller.
Madison Street Improvement, Eighth to Fifteenth streets.....	\$661 34	\$686 34
Park Avenue Improvement, Ferry to Newark streets.....	378 86	378 86
Twelfth Street Improvement.....	901 94	901 94
Willow Avenue Sewer, Fifteenth to Seventeenth streets.....	1,249 00	1,249 00
Main Outlet Sewer.....	586 06	586 06
Madison Street Sewer, First to Ferry streets.....	189 29	189 29
Clinton Street Improvement, Eleventh to Twelfth streets.....	41 37	41 37
Fifteenth Street Improvement, Willow to W. Boundary.....	3,830 59	3,830 59
Fifth Street Improvement, Madison to Jefferson streets.....	133 59	133 59
Repairing Sluice Gates	1 06	1 06
<hr/>		
Total Credit Street Improvements, be- fore and after adjustment.....	\$7,973 10	\$7,998 10
<hr/>		
Deposit to secure light contract.....	\$10,000 00	\$10,000 00
Deposit by Hudson & Manhattan R. R. Co.	500 00	500 00
Water Front Rents (Parks).....	9,746 00	9,746 00
Surplus Account, Martin Act Sales.....	3,873 03	3,873 03
Sinking Funds	291,835 00	306,835 00
County Tax	250,000 00	250,000 00
Contingent Fund	14,275 53	7,469 66
Sewer Fund	6,960 44	6,916 19
Street Cleaning Funds.....	2,759 19	2,837 69
Street Repairing Fund.....	325 08	131 28
Salary Fund	81 92	121 92
Fire Department	1,499 00	1,499 00
Police Department	196 75	196 75
Poor Fund	909 54	922 34
Sick and Indigent Poor	44 12	26 32
Removing Ashes and Garbage.....	1,456 33	1,456 33
Hudson Fulton Celebration.....	1,495 00	1,495 00
Public School Fund.....	44,111 29	44,111 29
Lamps and Gas.....	21,097 39	21,146 29
Hoboken Cemetery	8,029 04	8,029 04
Free Public Library.....	4,640 28	4,640 28
Printing and Stationery.....	444 26	533 06
Election Expense	4,485 43	4,485 43

Playground, care of.....	29 21	29 21
Interest on Water Bonds.....	125 00	125 00
Interest on City Bonds.....	718 86	718 86
Adjusted Taxes	261 35	261 35
City Indebtedness	148 67	148 67
High School Bond Issue.....	3,612 63	3,612 63
Playground Bond Issue.....	14,182 06	12,718 00
Water Main Bond Issue.....	6,010 82	6,010 82
Street Repaving Bond Issue.....	72,948 42	70,326 74
Sinking Funds—General	18,956 36	3,956 36
Redemption Arrears of Taxes.....	391 80	391 80
Redemption Vol. County Bonds.....	125 62	125 62
Building Inspector Fund.....	1,237 69	1,237 69
Pipe Sewer—First & Newark St.....		66 25
Excise License	8,352 54	8,352 54
Public Ground and Buildings.....		716 99
Insurance		747 35
Coal and Wood		31 34
Armory		11 77
Repaving Streets—Premium and Interest Account		2,722 38
Elysian Park Improvement.....		77 80
Playground—Premium and Interest Account		1,437 06
<hr/>		
Total Credit Account before and after		
Adjustment, May 2, 1910.....	\$815,835 94	\$810,843 42

TREASURER—IMPROVEMENT CERTIFICATES.

It will be noted in the fore part of the Exhibit showing Debit Balances that the total of all Street Improvement items amount to the large sum of \$158,680.57.

These items are not charges for original cost of construction of sundry special improvements which are assessable against the property benefited, but is money paid out in excess of the collection of assessments levied for the construction of said special improvements.

While our special examination in detail was only for the four-year period above enumerated, we examined all the assessment accounts entered rather thoroughly, and found that practically all assessments levied had been promptly collected by the Collector of Revenue, who turned the money over to the City Treasurer to be credited to the assessment account for which levied.

The Treasurer did not deposit the money so received in a Special Assessment Cash Fund, but deposited said money in a general cash fund, along with collections from all other sources, the same to be drawn upon for any purpose upon order of Council.

During the construction of an assessable improvement, acting under the law, the engineer in charge of the work upon said improvement issued estimates upon completed parts of said construction, or for services or other expense for which certificates of indebtedness were issued by the proper city authorities.

The money received by the Collector of Revenue on account of assessable improvements should have been used to redeem said outstanding Certificates of Indebtedness, or other indebtedness created by reason of the construction of said improvement.

The assessments were uniformly promptly approved by the Mayor and Council, and filed with the Collector of Revenue, who was most prompt in their collection.

The assessments not collected as at May 2, 1910, amount to about five thousand dollars, as enumerated in our first preliminary report, which is a part of this report.

The fact that assessments were levied for all assessable improvements, and the same collected, with the exception of the small amount just stated, probably one-half of which will still be collected, in fact all except the assessment against the Hinde & Dauch property, which was set aside by the Court over which the city has no jurisdiction, would lead one to infer that all Certificates of Indebtedness, with accrued interest thereon, should have been paid from assessment money collected, without creating the large overdraft of \$158,680.57.

We will probably have to go back to the tax years 1892 and 1893 for the beginning of the operations leading up to this overdraft.

We find in Ordinance Book B, Folio 688, the approved record of the tax ordinance for the year 1892, passed by Council June 29, 1892.

We quote from said ordinance as follows:

"To meet the principal of maturing bonds amounting in the aggregate to the sum of one hundred and sixty-six thousand five hundred (\$166,500.00) dollars, as follows:

6% Volunteer Bounty Bonds—Series 1—Due Jan. 1/93.....	\$4,000 00
7% City Judgment Bonds, issued 1872, due Oct. 1/92.....	119,500 00
7% Park Improvement Bonds, issued 1875, due Sept. 1/92.....	5,000 00
7% School No. 4 Bonds, issued 1877, due Oct. 1/92.....	32,000 00
7% Water Bonds, issued 1872, due July 1/92.....	6,000 00
	<hr/>
	\$166,500 00

"It is hereby directed and ordained that the proceeds of the adjusted taxes, assessments and water rents, where not specially pledged, be applied to the payment of the same."

We also find in Ordinance Book B, Folio 708, the approved record of the tax ordinance for the year 1893, passed by Council June 14, 1893.

We quote from said ordinance as follows:

"Special Appropriation—The sum of two hundred and fifty dollars for repairing plumbing work and sewers in the City Hall (\$250.00).

To meet and pay the interest on bonds falling due during the years 1893-94, amounting to \$58,737.50, and for principal of bonds falling due during the year, \$6,750.00, and for deficiency on bonded indebtedness of years 1892 and 1893, \$29,330.47, amounting in all to the sum of \$153,817.97.

The following amounts are hereby appropriated.

The balance on hand in the Sinking Fund of \$4,556.55, and the receipts from the Railroad and Corporation taxation, amounting to \$14,000.00, and amount due from the County to the City as a refund from the proposed County Park assessment, \$13,000.00, and the estimated amount to be collected during the current year under the provisions of the Martin Act, \$100,000.00, and such other sum or sums as may be collected under the provisions of said Act."

In other words, there was \$166,500.00 in 1892, and \$100,000.00 in 1893, or a total of \$266,500.00 ordered to be taken from money received from the adjustment of Taxes, Assessments and Water Rents, under the Martin Act, and used to redeem outstanding bonds, interest thereon, and other obligations, through the operation of the Budget.

The money should not have been so used, for the bonds to be redeemed, as per the Tax

Budget quoted, had no connection whatsoever with current operations of the government or special improvements.

All taxes, assessments and water rents adjusted under the Martin Act were originally levied or assessed in the current year charged, for the purpose of meeting departmental appropriations, current Sinking Funds, interest, etc. The money actually used to pay these said annual appropriations and other obligations, although not collected through taxes at the time used, came from some source within the City Government, and should have been treated as a loan and returned to the fund from which borrowed as soon as the adjusted taxes and assessments had been collected. In this manner the money would have been legally loaned, used and returned.

The said collections should have been segregated and deposited in a General Cash Fund, in a Tax Arrearage Cash Fund, and an Assessment Cash Fund. Then the money could not have been used to reduce the tax levy until after all obligations for which the levy was created had been redeemed or paid.

To subject the money received from adjusted taxes, etc., to draft for any or all general purposes was not legal, and although the tax ordinance of 1892 (as see) says:

"It is hereby directed and ordained that the proceeds of the adjusted taxes, assessments and water rents, where not specially pledged, be applied to the payment of the same," it does not appear of record that an attempt was made to analyze or segregate the account to ascertain whether there was any obligations that should be paid from the collection of adjusted taxes and assessments or not, before its use for the purpose specified in the tax ordinance, for had there been such analysis, it is most certain that the outstanding Certificates of Indebtedness for improvements would have been found.

The city having profited in 1892 and 1893 by reason of the use of the collection of adjusted taxes, assessments and water rates, to reduce the rate of taxation, and in consequence, the amount of money to be provided for Budget purposes, will have to make good the necessary amount at this late date, in case it may be found necessary upon FINAL ADJUSTMENT, although the amount required to make good may be small compared to the total of \$266,500.00 appropriated during the two years above named.

Referring to the Certificates of Indebtedness, it is apparent that the agreement embodied thereon, was not lived up to, although this may be on account of a wrong interpretation of said Certificates.

The blank certificates read as follows:

IMPROVEMENT CERTIFICATE.

This certificate entitles or order, to receive of the Treasurer of the City of Hoboken Dollars.

For ..(Name of improvement inserted).. with interest thereon at the rate of five per cent. per annum, computed from in such amounts AS THE MONEY OF THE SAID ASSESSMENT SHALL COME TO THE HANDS OF THE SAID TREASURER.

And this Certificate shall be received by the Collector of Assessments, in payment for the assessment upon which it is drawn, and shall be transferred by endorsement.

And the Mayor and Council of the City of Hoboken do hereby bind themselves, and their successors, to use due diligence in making and collecting the said assessment, and in case the said assessment is not collected to meet this Certificate within two years from the date of the confirmation of the assessment for said improvements, that they will pay the said sum of dollars, with interest, as above stated, to the holder upon thirty days' notice of default in the collection of the assessment."

One of the conditions of the Certificate of Indebtedness stated that the payee of each Certificate was entitled to receive from the City Treasurer all money collected on account of the improvement for which Certificate was issued "in such amounts as the money on the said assessments shall come to the hands of the said Treasurer."

At a stated session of the Council, June 14, 1899, the following resolution was adopted by said Council:

"Resolved, That after the passage and approval of this resolution, all Improvement Certificates issued by the Mayor and Council shall cease to bear interest after TWO YEARS FROM THE DATE OF ISSUE, and the City Clerk is hereby directed to so insert in all Improvement Certificates hereafter issued."

Prior to the adoption of this resolution the Certificates of Indebtedness had inserted in them "Date of Issue," when referring to the interest payable on said Certificates, making the interest clause read, "with interest thereon at the rate of five per cent. per annum computed from DATE OF ISSUE, in such amounts as the money on the said assessments shall come to the hands of the said Treasurer."

After the adoption of the above resolution, the Certificates read, "with interest thereon at the rate of five per cent. per annum, computed FOR TWO YEARS FROM DATE OF ISSUE," etc.

Both before and after the adoption of the resolution quoted above, the *modus operandi* was apparently in direct conflict with the terms printed in said Certificates in relation to paying the payee as money came into the hands of the Treasurer. In one case interest was computed from "Date of Issue," and left the payment subject to the call of the Certificate; in some cases the said Certificates not being called for fourteen or fifteen years. In the second case, the interest ran for two years straight, although usually the assessment was collected within sixty days.

The law directs that the payer of all delinquent assessments shall be charged interest for the delinquent time at the rate of seven per centum per annum.

The law as expressed in reference to the rate of interest to be charged on delinquent assessments, and the conditions as expressed upon the Certificates, that the payee is entitled to a specific sum of money at a given rate of interest, "in such amounts as the money on the said assessments shall come to the hands of the said Treasurer," are harmonious, and were intended to cover equitably the charges for interest.

All assessments paid within sixty days from date of confirmation by Council and the approval of the Mayor, bore no interest.

If not paid within sixty days from approval thereof, interest was computed from date of approval by the Mayor and Council.

Had the Certificates been called in as the money "comes to the hands of the said Treasurer," the five per cent. interest which the certificates carried would have ceased upon all amounts collected, and turned over to the Treasurer.

All delinquents being compelled to pay seven per cent. and the delinquent assessments being practically the same amount as the balance of outstanding Certificates, the interest received from said delinquent assessments would have at least balanced the amount due on the balance of said Certificates, and there would have been no necessity for the payment of the large excess overdraft as shown upon the records of the city.

The law and certificates are plainly expressed and the collections should have harmoniously redeemed all outstanding obligations.

Evidently the law was wrongly interpreted, and this, with the wrong transfer of collections of adjusted assessments, caused the excess payments.

Each specific improvement is supposed to pay all cost for its construction, interest, etc., and the general taxpayers should not be compelled to pay any part of said improvements,

such as has been the case, except such as may be charged for street intersections or similar cost.

Whatever money must be made good by the city will be probably directly chargeable and attributable to the overdraft for Certificates of Improvements, and could have been avoided in a number of ways.

THE TREASURER'S OFFICE—GENERAL.

The audit of all of the accounts of the City Treasurer has been exhaustive. We have been given every facility for analysis by Treasurer Smith and Assistant Treasurer Hunter.

The method used in the Treasurer's office, while satisfactory for the Treasurer's purpose to enable him to balance his cash accounts, and while meeting the requirements of the receipt and disbursement of cash in any city before the date of special improvements and special appropriations, does not meet the requirements of to-day.

In some cases the Treasurer was performing work that should have been performed by the Comptroller, and in many instances, has done more work than was necessary for him to do. In the system devised, we have cut out all unnecessary work, provided a system complete, modern, safe and accurate, and divided the work properly.

The system devised is of such elasticity and capacity that it will cover the requirements of your city, no matter to what extent it may grow in population, or what its Budget provisions will amount to.

It is daily self-balancing, and the Treasurer can at all times be in absolute control of the finances of the city, and of his accounts in the various banks of deposit in the city.

The Cash Balances in the various banks of deposit at the beginning of the period, May 7, 1906, as checked with the Treasurer's Cash Book, is shown in the following "Cash Exhibit No. 1":

First National Bank	\$11,988 05
Second National Bank	19,410 32
Jefferson Trust Company.....	11,675 41
Trust Company of New Jersey.....	1,973 42
Hudson Trust Co	3,916 85
Cash in Treasurer's Office.....	5,690 83
<hr/>	
Total cash in bank with Treasurer.....	\$54,654 88
Less outstanding warrants	538 60
<hr/>	
Cash available and subject to draft by warrant.....	\$54,116 28

NOTE.—A difference of \$5.00 was shown between the balance entered on the pass book of the Second National Bank and the account of the Second National Bank on the books of the Treasurer.

This was due to the bank charging \$5.00 for the collection of a \$5,000.00 draft, which was disputed by the Treasurer.

It was subsequently adjusted and carried into the accounts.

NOTE.—The detail of the outstanding warrants deducted in the above statement is as follows:

Warrant.	Name.	Amount.
No. 301—S. N. Gilchrist		\$75 00
No. 2,346—Wm. R. Davidson		10 00
No. 1,575—Fred Frambach		208 33
No. 1,585—A. Kittredge ...		40 00
No. 1,595—Thomas McAleer		75 00
No. 1,287—George Burr		6 00

No. 4,013—Peter Kennelly	96 00
No Number—No Name, very old.....	28 27

\$538 60

The following "Cash Exhibit No. 2," compiled from the Treasurer's Cash Book, shows the balance of cash in bank at the beginning of the period, May 7, 1906, total receipts and disbursements, including cash on account school bonds for the period, and balance of cash at the close of the period, May 2, 1910:

Balance cash in bank, May 7/06.....	\$54,654 88
Cash received May /06 to May /07 per cash book..	1,383,589 93
Cash received May /07 to May /08.....	1,443,061 62
Cash received May /08 to May /09.....	1,710,450 54
Cash received May /09 to May /10.....	1,593,243 00
Total receipts and balance.....	\$6,184,999 97
Disbursed year ending May 6 /07.....	\$1,236,376 48
Disbursed year ending May 6/08.....	1,545,438 96
Disbursed year ending May 3/09.....	1,683,570 25
Disbursed year ending May 2/10.....	1,623,216 22
	\$6,088,601 91
Balance cash, May 3, 1910, available for use by City.....	96,398 06

Total disbursements and balance.....\$6,184,999 97

NOTE.—The total disbursements in "Cash Exhibit No. 2" include outstanding warrants amounting to \$6,675.62, which had been accepted by the Treasurer and charged against the account, leaving the balance of cash available for use by the Council of \$96,398.06, as per "Cash Exhibit No. 1," and also in "Cash Exhibit No. 3," which follows:

CASH EXHIBIT NO. 3.

The Cash Balances in the various banks of deposit at the close of the period under consideration, May 2, 1910, as checked with the Treasurer's Cash Book, was:

	Balance of Deposits.	Outstanding Warrants.	Net Cash avail- able for use.
First National Bank.....	\$15,130 03	\$1,647 35	\$13,482 68
Second National Bank.....	21,259 05		21,259 05
Jefferson Trust Company....	39,472 49	5,000 00	34,472 49
Trust Co. of New Jersey....	6,369 56	28 27	6,341 29
Hudson Trust Co.....	7,075 25		7,075 25
Hoboken Trust Co.....	11,808 94		11,808 94
Cash in Treasurer's Office...	1,958 36		1,958 36
	\$103,073 68	\$6,675 62	\$96,398 06

For the purpose of comparison of cash book receipts with the amount of said receipts deposited in the various banks, we again submit exhibit of actual receipts for the four year period audited. Note: (Does not include the balance of cash on hand at beginning or close of period.)

In addition, we will give an exhibit of cash received from sale of school bonds, which was entered in the Treasurer's cash books as a receipt, and then arbitrarily transferred to the Custodian of School Account, without issuing warrants for same, the same upon transfer

being properly credited to the School Account by the Custodian of School Funds in the School Cash Book and Ledger.

The receipts on account of school bonds will be deducted from total receipts during the period, and an exhibit made which will give the actual receipts available for use by the city, which should have been deposited in the banks.

The exhibit of total annual receipts per Treasurer's cash book is shown in the following "Cash Exhibit No. 4":

CASH EXHIBIT NO. 4.

Cash received May /06 to May /07.....	\$1,383,589 93
Cash received May /07 to May /08.....	1,443,061 62
Cash received May /08 to May /09.....	1,710,450 54
Cash received May /09 to May /10.....	1,593,243 00
	<hr/>
	\$6,130,345 09

CASH EXHIBIT NO. 5.

The following Cash Exhibit No. 5 shows receipts from sale of School Bonds (included in Cash Exhibit No. 4):

Feb. 5/07—From sale of School Bonds,	
C. B. Folio 106	\$25,226 94
Mch. 25/07—From sale of School Bonds,	
C. B. Folio 113.....	25,365 83
	<hr/>
Total for year 1906-07.....	\$50,592 77
July 17/07—From sale of School Bonds,	
C. B. Folio 137.....	30,212 33
July 22/07—From sale of School Bonds,	
C. B. Folio 137.....	118,900 73
	<hr/>
Total for year 1907-08.....	149,113 06
July 25/08—From sale of School Bonds,	
C. B. Folio 203.....	10,079 67
Nov. 16/08—From sale of School Bonds,	
C. B. Folio 223.....	10,203 00
	<hr/>
Total for year 1908-09.....	20,282 67
	<hr/>
Total cash from sale of School Bonds, entered in Treasurer's	
Cash Book	\$219,988 50

The entry of receipts from School Bonds in the regular Cash Book of the Treasurer's Department was correct, but instead of being arbitrarily transferred, the amounts should have been deposited in bank, and drawn out by warrant in order to have a better check on the money handled.

The city having issued the bonds, and having to provide the Sinking Funds to amortise the same, it was perfectly proper that the Treasurer should enter the receipts and disbursements in total on his books, although the money was not available for city use proper.

The following "Cash Exhibit No. 6" shows total annual receipts of cash per cash book entries: Transfers to the Custodian of School Accounts; Balance cash available and subject to draft by warrant for each year of the period of four years under consideration, and is a recapitulation of Exhibits Nos. 4 and 5:

CASH EXHIBIT NO. 6.

Period.	Total Receipts.	Transfers to Custodian.	Total Receipts Annual Cash Available.
May /06 to May /07.....	\$1,383,589 93	\$50,592 77	\$1,332,997 16
May /07 to May /08.....	1,443,061 62	149,113 06	1,293,948 56
May /08 to May /09.....	1,710,450 54	20,282 67	1,690,167 87
May /09 to May /10.....	1,593,243 00		1,593,243 00
	<hr/> \$6,130,345 09	<hr/> \$219,988 50	<hr/> \$5,910,356 59

The following "Cash Exhibit No. 7" shows the total receipts available per cash book, exclusive of School Funds for each of the four year period considered, and the cash deposited in bank for each of the said four year:

CASH EXHIBIT NO. 7.

Period.	Total Receipts available per Cash Ex. No. 6.	Deposited in Bank per Pass Books of Six Banks, etc.	Excess Deposit.	Short Deposit.
May /06 to May /07.....	\$1,332,997 16	\$1,332,619 19		\$377 97
May /07 to May /08.....	1,293,948 56	1,327,104 30	\$33,155 74	
May /08 to May /09.....	1,690,167 87	1,689,836 98		330 89
May /09 to May /10.....	1,593,243 00	1,602,829 58	9,586 58	
	<hr/> \$5,910,356 59	<hr/> \$5,952,390 05	<hr/> \$42,742 32	<hr/> \$708 86

This Exhibit shows excess deposits in bank over recorded departmental cash book receipts of the difference between \$42,742.32 excess deposits in the tax years 1907-08 and 1909-10, and \$708 86 short deposits in the tax years 1906-07 and 1908-09, or a net excess deposit of \$42,033.46.

This excess bank deposit is probably attributable to the fact that the Treasurer, working under an ordinance and a former resolution adopted by the Council, has from time to time during the entire period advanced money due on the pay rolls of the Street Commissioner, and held such pay rolls as collateral until said pay rolls were approved and ordered paid by Council which was as soon as the money was available for use.

But in many cases the pay rolls were held for weeks or months before they were ordered paid, and the money refunded to the Treasurer.

Sometimes, to meet the said pay rolls, the Treasurer was compelled to take money from the current daily receipts, thus causing a short deposit of cash in bank for that day.

At other times not having cash in hand from current department receipts, he would cash the warrants authorized by Council to pay and refund the pay rolls, and not deposit all of the same issued to his order as City Treasurer.

Analysis of the street pay roll warrants issued during the four years considered, payable to the order of the City Treasurer, is shown in the following:

CASH EXHIBIT NO. 8.

May /06 to May /07	\$22,021 79
May /07 to May /08	27,277 04
May /08 to May /09	27,766 35
May /09 to May /10	23,263 61
Total	<hr/> \$100,328 79

These warrants were all endorsed by the Treasurer, "For deposit to the account of the City Treasurer of Hoboken, N. J.":

As the net excess deposits in bank over accredited cash book receipts was only \$42,033.46, it shows that the difference of \$58,295.33, while deposited "For deposit to the account of the City Treasurer of Hoboken, N. J.," had a duplicate amount drawn from some other source at the time it was used in payment of the pay rolls during the period considered.

As the law directs and contemplates that all receipts of money should be deposited in the designated banks of deposit, it is fair to assume that it should be done in such manner as to easily reconcile the receipts with departmental records and bank accounts.

It has not been possible to correctly check the deposits to the order of the Treasurer, and the said Treasurer has been practically forced by ordinance to handle his cash in a manner certainly not contemplated by law.

However, this could have been obviated by a change in method, but was not so obviated.

It is an almost imperative necessity that the street laborer be regularly paid, but the Treasurer should not be forced into the position which he has been placed in during the past.

While we could not, on account of above conditions, accurately reconcile receipts of Cash with deposits in bank, we proved the correctness of the Treasurer's Cash Receipts, Disbursements, Balances and Bank Balances, by an exhaustive audit of his Cash Book, seeing that all departmental receipts were debited to Cash, and that all Disbursements of Cash credited was upon a regularly authorized, approved and authentic warrant.

Then to obviate the difficulty and make it possible to keep the cash of the Treasurer correctly and reconcile promptly, we drew and submitted to your Honorable Body the following resolution, which you approved March 8, 1911.

TREASURER—PETTY CASH.

Whereas, It is necessary to pay the street laborers upon weekly pay rolls; and

Whereas, Council meets regularly upon the second and fourth Wednesday of each month; and

Whereas, Under the law the Treasurer has no funds to meet the demand of said pay rolls; and

Whereas, It has been the custom of the Treasurer to meet the pay rolls as presented according to law by the Street Department, by withholding and not depositing part of the collections of the Collector of Revenue, City Clerk and other departments; and

Whereas, The law directs that the Treasurer deposit within twenty-four hours all monies received from whatsoever source; and

Whereas, It has not been possible to readily audit the receipts and deposits of money by the method formerly in use; and

Whereas, The Treasurer is under a sufficient surety bond to meet all requirements of the proposed change in method of handling the cash to meet the said pay rolls; and

Whereas, It has been necessary in the past for the Treasurer to hold the accumulated pay rolls for quite a length of time before being reimbursed for the cash advanced;

Now, therefore, in order that the Treasurer may be able to conform to law and at once deposit all receipts, thus giving absolute safety to the city's money, and in order to meet the necessity of promptly paying the pay rolls under consideration, be it

Resolved, That a warrant be drawn to the order of the City Treasurer for the sum of seven thousand dollars, the same to be charged on the books of the Comptroller to the account of the said City Treasurer, to be held as a fixed charge against him until returned by him to the city, the same to be considered as a Petty Cash Fund to pay the amounts

due on the pay rolls of the Street Commissioner or other properly authorized claims when presented to the City Treasurer in accordance with the ordinance; and be it further

Resolved, That the City Treasurer shall present the said pay rolls to the City Council as now provided by ordinance, and when Council authorizes a warrant to be drawn to reimburse the said Treasurer, he shall deposit the same to his Petty Cash Fund, so that it will be possible to at all times readily audit this account in which must be either the full amount of seven thousand dollars, or properly receipted vouchers for money paid out by him as above.

In the past the Treasurer has advanced sums varying from a few dollars to a total of thousands of dollars, always difficult to prove, and the wonder is that he has not been a large loser by the system.

It was neither safe for the Treasurer or for the city.

To further facilitate the handling of cash, we drew and submitted to your Honorable Board the following resolution, which you approved March 8, 1911:

TREASURER—BANK DEPOSITS.

Whereas, The receipts of moneys from the Collection of Taxes, Assessments, Licenses and other sources was formerly deposited in the banks as one Cash Account, without reference to the funds or specific purpose for which it was received, said moneys being drawn upon by warrant without due consideration as to the legal right to use the same; and

Whereas, In order to bring the handling of cash better under the control of Council, this method has been changed, and receipts are now deposited in the designated banks of deposit to the credit of the proper funds and kept by said bank in special accounts, such as:

First.—General Cash—From which is paid all claims and salaries for the current operation of the government.

Second—Tax Arrearage Cash—From which is paid all claims on account of temporary loan bonds or other obligations, principally under the control of the Sinking Fund Commission.

Third—Assessment Cash—From which is paid all claims for assessable public improvements.

Fourth—Excise Cash—From which is paid all obligations on account of the Excise Department, and for transfer of funds to other City Departments.

Fifth—Hoboken Cemetery Cash—From which is paid all claims against said Cemetery.

Sixth—Special Accounts—From Bond issues.

Seventh—Money received from any other special source; and

Whereas, The Collector of Revenue gives his own check for collections to the Treasurer, and the remaining departments give their collections to the Treasurer as received; and

Whereas, It is necessary to regulate, facilitate and confirm the handling of Cash, so as to further control it; and

Whereas, It is necessary to carry out the law on the subject, and divide and deposit the money received as per the Cash Books and Receipt Books now in use; now therefore be it

Resolved, That the Collector of Revenue be and he is hereby directed to give to the City Treasurer

First—A separate check for the money collected on account of current yearly tax from the beginning of the collection of said current taxes in November or December of each year to the close of said fiscal year in the following May, so that the money may be deposited in the General Cash Account for the operation of the City Government during that period.

Second—A separate check for the money collected on account of taxes for all other tax years, so that said money may be deposited in the Tax Arrearage Cash Account.

Third—A separate check for all money received on account of assessable improvements, so that said money may be deposited in the Assessment Cash Account; and be it further

Resolved, That all other departments deposit with the City Treasurer receipts on account of their departments in the manner now in use; and be it further

Resolved, That the City Treasurer deposit the said money in the banks to the credit of these said funds, taking from the said banks a duplicate receipted slip of deposit, and deposit the same with the City Comptroller, and that the said Treasurer balance his accounts with the banks under this classification of cash at the close of each month.

This method has worked most successfully since its adoption, and it is always possible to prove every transaction entered into by the city, so far as it relates to cash handled.

TREASURER—INTEREST ON BONDED DEBT.

Another very unsatisfactory procedure was the method of handling the payment of and accounts for interest on Bonded Debt. To correct the defect, we submitted the following resolution which your Honorable Body approved March 8, 1911:

Whereas, The method of paying interest on the Bonded Debt of the city now in use does not give the greatest degree of safety to the city, in that the coupons are not checked by the bank, but are paid by the bank on the certificate of the City Treasurer that the coupons are in the envelope presented by the holder of the coupons, which cannot be entirely satisfactory to the banks; and

Whereas, At the present time the payment of interest is not under the control of the Common Council, in that all payments of registered interest are made on checks signed by the Mayor, Chairman of the Finance Committee, City Treasurer and City Comptroller, and coupon interest paid on order of the City Treasurer only, the Common Council not directing any of the payments by resolution, the Treasurer acting under the provisions of the old charter, which says, "No money shall be paid out of the Treasury, except on warrants signed by the Mayor or Acting Mayor, and countersigned by the City Clerk, except for the payment of bonds for the city, and Certificates of Indebtedness for improvements given by the city and interest on the same, and moneys paid into the City Treasury for the redemption of property sold for taxes and assessments." and

Whereas, The law also says, "That the Treasurer shall receive, safely keep and disburse, under the direction of the Council, all moneys belonging to or under the control of the city," and also

"And no warrants shall be drawn on the Treasurer, by said officers (signed by the Mayor and countersigned by the City Clerk), except in pursuance of an order of the Council, passed at a stated meeting of the Board, and entered in their minutes;" now, therefore, be it

Resolved, That the City Treasurer shall each month report to the Common Council the amount due for interest on the bonded debt for the next ensuing month, and that the Common Council then direct that a warrant be drawn for the required amount, dated the first day of the next ensuing month, payable to the order of the City Treasurer, to pay said interest; and be it further

Resolved, That the City Treasurer shall deposit the said warrant in a separate account in one of the authorized banks of deposit and draw special checks signed by the City Treasurer and countersigned by the City Comptroller, to pay interest on registered bonds, and that upon the presentation of coupons at the office of the City Treasurer, the said Treasurer shall draw a special interest check, signed by the City Treasurer, and countersigned by the City Comptroller, for the amount of the coupons so presented, and shall then cancel the coupons.

All checks shall be charged against the separate cash account for the month's interest, and the account must be balanced at the end of each fiscal month."

This portion of the system has been installed since March 8th, and is working very satisfactorily.

We submit herewith a schedule of interest for the fiscal year ending May 1, 1911.

A similar schedule was submitted to the Board of Tax Commissioners for the tax year 1911 and 12, and the matter is now under consideration.

Under the above system of paying interest, Council has control of the matter.

They authorize the full payment of interest each month, and the money provided is always in bank subject to demand upon presentation of properly authenticated check of the Treasurer.

INTEREST ON BONDED DEBT, 1911-12.

Amount of Bonds.	Name of Bonds.	Per Cent.	Date Bonds are due.	Amount of Interest.
\$10,500 00	Cleaning and Repairing Sewers.....	4	Nov. 25, 1911)	
			1912)	
			1913)	\$420 00
24,000 00	Police Department	4½	Nov. 1, 1912	1,080 00
10,000 00	Park	4	Apr. 1, 1916	400 00
100,000 00	Outlet Sewer	4	Mar. 1, 1917 to	
			Mar. 1, 1926	4,000 00
50,000 00	Free Public Library.....	4	Mar. 1, 1917	2,000 00
25,000 00	Fire Engine House.....	4	Oct. 1, 1917	1,000 00
312,000 00	Redemption of Uptown Streets, Bonds A..	4	Dec. 1, 1918	12,480 00
75,000 00	Redemption of Uptown Streets, Bonds B..	4	Feb. 1, 1919	3,000 00
15,000 00	Erection 2 Engine Houses.....	4	Mar. 1, 1924	600 00
12,850 00	Purchase of Elysian Park.....	4	Jan. 1, 1925	514 00
25,000 00	Fire House, No. 6.....	4	Aug. 1, 1926	1,000 00
20,000 00	Fire House, No. 6.....	4	Aug. 1, 1927	800 00
67,000 00	Funding	4½	Sept. 1, 1927	3,015 00
150,000 00	Street Repairing	4	May 2, 1928	6,000 00
50,000 00	Street Repairing	4	Oct. 1, 1928	2,000 00
196,000 00	Redemption of Uptown Streets, Bonds,			
	C & D	3½	Nov. 15, 1931	6,860 00
52,000 00	Refunded Judgment	4	Feb. 1, 1935	2,080 00
21,500 00	Funding Bonds	5	May 1, 1938	1,075 00
50,000 00	Playground	4	May 1, 1939	2,000 00
127,500 00	Funding	4½	Dec. 1, 1940	5,737 50
125,000 00	Repaving Streets	4	July 1, 1939	5,000 00
50,000 00	First Street Sewer.....	4	June 1, 1911 to	
			June 1, 1930	2,000 00
90,000 00	School No. 7	4	Mar. 1, 1917	3,600 00
13,000 00	School No. 7	4	June 1, 1918	520 00
140,000 00	School No. 8	4	Mar. 1, 1934	5,600 00
219,665 00	School No. 9	4	Jan. 1, 1937	8,786 60
7,454 00	Extension to School No. 2.....	4½	May 1, 1938	335 43
10,500 00	School House No. 9	4	Jan. 1, 1939	420 00
100,000 00	High School	4	Jan. 1, 1939	4,000 00
250,000 00	High School	4½	July 1, 1940	11,250 00

95,000 00	Water	5	May 1, 1938	4,750 00
22,000 00	Water	4	July 1, 1939	880 00
	Interest on Temporary Loans, 1910-11.....			7,020 69
	6 Mos. Int. on High School Bonds not provided in last year's budget			5,625 00
	6 Mos. Int. on First Street Sewer Bonds not provided in last year's budget			1,000 00
				<hr/>
				\$116,849 22

THE COLLECTOR OF REVENUE.

The audit of the books of the Collector of Revenue during the four years considered has been most thorough.

We have been given every facility for analysis by Collector Bowes and his assistants.

The annual ward tax books turned over to the Collector by the Commissioners of the Assessment of Taxes were first proven and balanced by the said Commissioners of Taxes and the Clerk of that body.

We analyzed and checked each payment and receipt of cash by the Collector of Revenue upon each of the said five annual ward books for each of the four years from May 6, 1906, to May 2, 1910, and balanced the same with the Collector's Cash Book credits and receipts from the City Treasurer.

All items in arrears in the said tax books were checked and transferred into the Delinquent Tax Records of the Collector, and each and every item entered as paid in said Delinquent Tax Record by the Collector was checked into the Collector's Cash Book.

The balances of uncollected taxes in the Delinquent Tax Records as at May 2, 1910, was checked into the Ledger of the Collector and found to be correct.

No other department of the city has kept an account with taxes and consequently there was no check upon the said Tax Account, as kept by the Collector, but his entries practically prove the correctness of his work.

The examination of the tax years from 1906 to 1910, inclusive, has been exhaustive

Prior to the four years named above, by reason of the partial examination made (we not having the authority to go into a detailed examination), we have been led to assume that the balance of uncollected taxes as shown upon the books of the Collector from the year 1884 to 1905, inclusive, is correct.

"Collector's Exhibit No. 1," following, gives the balances of the uncollected taxes as at May 2, 1910:

COLLECTOR'S EXHIBIT NO. 1--As at May 2, 1910.

For the Year 1884	\$3,849 52
For the Year 1885	5,816 66
For the Year 1886	4,801 30
For the Year 1887	4,284 26
For the Year 1888	3,880 24
For the Year 1889	3,095 05
For the Year 1890	3,770 23
For the Year 1891	4,738 09
For the Year 1892	4,078 00
For the Year 1893	4,308 72

For the Year 1894	4,679 72
For the Year 1895	4,690 68
For the Year 1896	4,814 20
For the Year 1897	5,099 38
For the Year 1898	5,995 12
For the Year 1899	7,210 27
For the Year 1900	6,213 30
For the Year 1901	5,923 01
For the Year 1902	5,637 82
For the Year 1903	5,479 92
For the Year 1904	5,233 00
For the Year 1905	6,563 70
For the Year 1906	5,920 06
For the Year 1907	43,953 84
For the Year 1908	110,572 51
For the Year 1909	308,019 72
Totals	\$578,128 32

The taxes shown in the above schedule, is one of the most valuable floating assets of the city.

If the law is strictly adhered to, all collections made on account of said taxes should be deposited in a Tax Arrearage Cash Fund by the Treasurer, to be used to redeem whatever Temporary Loan Bonds may have been issued in anticipation of the collections of current taxes for each and all years contained in the Tax Arrearage Account.

The balance, if any, to be used to pay obligations incurred and held as a floating debt during the period of the tax arrearage account.

We have since found additional uncollected taxes for the year 1907, which must be added to the balance as at May 2, 1910.

Collector's Ledger B, Folio 33, shows the following deduction by the Board of Equalization of Taxes:

Bill No. 1251—2nd Ward,	
Bill No. 2,131—5th Ward	\$45,615.44

This deduction was on account of Morris and Essex R. R. second class property.

After carrying the above deduction into the account, the balance of uncollected taxes for the year 1907, as at May 2/10, was entered in the Collector's Ledger as \$43,953.84, as per Collector's Exhibit No. 1.

This was brought about as follows:

Suit was brought and according to the decree the State Board of Equalization ordered that the amount considered above be cancelled as second class railroad property, and the Collector of Revenue of Hoboken was ordered to cancel said amount from his records, which was done, and the collection of the account was left to the State Comptroller of the Treasury.

On March 7, 1911, the State Comptroller of the Treasury paid to the City Treasurer by warrant on account of taxes of 1907 for Morris and Essex R. R., \$37,742.51, together with a payment on account of taxes from said railroad for the years 1908 and 1909.

The entry of the accounts of 1908 and 1909 is different from that of 1907.

Consequently the account of 1907 will need special adjustment, as shown in our work.

The \$37,742.51 paid was part of the deduction of \$45,615.44 above referred to, and this amount will have to be re-added to the balance of uncollected taxes for 1907 as at May 2, 1910, increasing the 1907 balance "Collector's Exhibit No. 1" to \$81,696.35, and the grand total of all uncollected taxes on said exhibit to \$615,870.83.

The collection of Arrears of Taxes by the Collector of Revenue since the beginning of the fiscal year, May 2, 1910, has been large, as will be seen by Collector's Exhibit No. 2."

COLLECTOR'S EXHIBIT NO. 2.

Month.	Amount Arrears Taxes Collected.	Interest on Same.	Total Collections.
May, 1910	\$16,602 11	\$634 64	\$17,236 75
June, 1910	10,332 83	352 55	10,685 38
July, 1910	93,506 77	3,789 75	97,296 52
August, 1910	5,437 74	279 49	5,717 23
September, 1910	6,649 08	369 83	7,018 91
October, 1910	25,604 71	544 37	26,149 08
November, 1910	2,902 06	187 68	3,089 74
December, 1910	1,414 85	134 65	1,549 50
January, 1911	3,104 86	242 55	3,347 41
February, 1911	754 77	61 64	816 41
March, 1911	133,553 08	170 66	133,723 74
April, 1911	2,799 07	288 15	3,087 22
Totals	\$302,661 93	\$7,055 96	\$309,717 89

This leaves the uncollected taxes of the city in remarkably good condition, and it is to be hoped that the collection of the balance will be as successful as the above record.

The deductions and cancellations of taxes made by the County Board of Appeals, the State Board of Equalization, the City Council, and by order of various courts, which we have considered upon the books of the Collector of Revenue, which must enter into the account, and which have been carried into the books of the City Comptroller, is as follows, per:

COLLECTOR'S EXHIBIT NO. 3.

Year.	Amount.
1884	\$2,477 26
1885	1,958 89
1886	3,047 36
1887	2,084 82
1888	4,003 10
1889	3,415 93
1890	4,087 78
1891	5,745 30
1892	6,822 53
1893	3,092 56
1894	4,787 09
1895	6,315 02
1896	32,133 71
1897	5,294 66

1898	10,132 25
1899	10,766 06
1900	7,300 25
1901	5,754 30
1902	5,085 28
1903	40,074 78
1904	79,360 46
1905	52,287 17
1906	30,900 01
1907	70,796 90
1908	15,224 13
1909	728 55

Total deductions \$413,037 06

The above deductions were not entered upon the books of the Treasurer or Comptroller prior to May 2, 1910, but we have carried the same into proper accounts, as will be noted in the books of the Comptroller.

To offset and take care of this deduction in the collection of taxes, the charter of the city provides that a certain fixed percentage shall be added to the total taxes levied annually for department and other purposes.

This has been in full force and operation since 1855.

As there are uncollected taxes entered upon the Collector's books from the tax year 1884 to date, we have considered the additional tax charge for the same period.

There was eight (8%) per cent. annually added from the year 1884 to 1906 inclusive, and four (4%) per cent. from 1907 to 1909 inclusive, as per "Collector's Exhibit No. 4," following:

Tax Year.	Total added to cover deductions or losses in Taxes.
1884-5, 8% added	\$17,766 00
1885-6	16,768 72
1886-7	22,498 00
1887-8	22,251 20
1888-9	20,301 84
1889-90	18,500 82
1890-1	21,582 04
1891-2	27,521 28
1892-3	23,120 29
1893-4	21,766 60
1894-5	26,584 49
1895-6	28,262 15
1896-7	28,672 03
1897-8	30,537 39
1898-9	33,177 26
1899-1900	32,353 32
1900-1	32,679 09
1901-2	32,752 06
1902-3	33,752 00

1903-4	"	36,014 24
1904-5	"	40,209 39
1905-6	4% added	24,369 77
1906-7	4% added	24,369 77
1907-8	"	24,822 27
1908-9	"	22,021 77
1909-10	"	26,848 84

Total for period considered..... \$709,300 85

The above account should be known as a "Surplus Account" (Current), and should have appeared upon the books of the Treasurer and Comptroller, but did not so appear.

The Collector had the amount annually included in his account and kept the only record of charges against it, made on account of deductions.

The following "Collector's Exhibit No. 5" is a resolution adopted by your Honorable Body Nov. 30, 1910; the amount considered being a charge against this Surplus Account, but in the final adjustment of the accounts, the amount may have to be readjusted.

Resolved, That the uncollected taxes remaining open upon the books of the Collector of Revenue and the Comptroller, from the year 1884 to and including 1902, be and are hereby authorized to be cancelled of record, the same being taxes upon chattel property, and considered as uncollectable, the amounts to be carried into the Surplus Account.

The said taxes are as follows:

Year.	Amount.
1884	\$3,849 52
1885	5,816 66
1886	4,801 30
1887	4,284 26
1888	3,880 24
1889	3,095 05
1890	3,770 23
1891	4,738 09
1892	4,078 00
1893	4,308 72
1894	4,679 72
1895	4,690 68
1896	4,314 20
1897	5,099 38
1898	5,995 12
1899	7,210 27
1900	6,213 30
1901	5,923 01
1902	5,637 82
Total	<hr/> \$92,385 57

We submit a recapitulation of the Collector's cash collections and their deposits with the Treasurer, the record and receipts showing that the money collected has all been deposited with the Treasurer as the law directs:

COLLECTOR'S EXHIBIT NO. 6.
RECAPITULATION OF CASH COLLECTED AND DEPOSITED WITH
CITY TREASURER

From May 8, 1906, to May 4, 1907, inclusive.

Debit Account—Cash.			Credit Account—Cash.		
Collector's Cash Book		Total Re- ceipts per Collector's Cash Book.	Collector's Cash Book		Total De- posits with Treasurer per O. K. Treasurer's Receipts and Collector's Fees.
No.	Folio.		No.	Folio.	
14	140-146	\$94,376 94	14	141	\$94,376 94
14	147-149	8,166 78	14	147	8,166 78
14	150-257)				
15	1-34)	825,745 67	14	151	825,745 67
15	35-41	43,743 38	15	35	43,743 38
		<hr/>			<hr/>
		\$972,032 77			\$972,032 77

RECAPITULATION OF CASH COLLECTED AND DEPOSITED WITH
CITY TREASURER

From May 5, 1907, to May 4, 1908, inclusive.

Debit Account—Cash.			Credit Account—Cash.		
Collector's Cash Book		Total Re- ceipts per Collector's Cash Book.	Collector's Cash Book		Total De- posits with Treasurer per O. K. Treasurer's Receipts and Collector's Fees.
No.	Folio.		No.	Folio.	
15	42-48	\$64,905 77	15	42	\$64,905 77
15	49-50	5,485 94	15	49	5,485 94
15	51-184	689,795 74	15	51	689,795 74
15	185-195	53,640 60	15	185	53,640 60
		<hr/>			<hr/>
		\$813,828 05			\$813,828 05

RECAPITULATION OF CASH COLLECTED AND DEPOSITED WITH CITY TREASURER

From May 4, 1908, to May 3, 1909, inclusive.

Debit Account—Cash.			Credit Account—Cash.		
Collector's Cash Book No.	Folio.	Total Re- ceipts per Collector's Cash Book.	Collector's Cash Book No.	Folio.	Total De- posits with Treasurer per O. K. Treasurer's Receipts and Collector's Fees.
15	196-202	\$100,579 99	15	196	\$100,579 99
15	203-206	11,120 25	15	203	11,120 25
15	207-256)				
16	1-82)	741,797 40	16	207 & 1	741,797 40
16	83-92	90,268 22	16	83	90,268 22
		\$943,765 86			\$943,765 86

RECAPITULATION OF CASH COLLECTED AND DEPOSITED WITH CITY TREASURER

From May 3, 1909, to May 2, 1910, inclusive.

Debit Account—Cash.			Credit Account—Cash.		
Collector's Cash Book No.	Folio.	Total Re- ceipts per Collector's Cash Book.	Collector's Cash Book No.	Folio.	Total De- posits with Treasurer per O. K. Treasurer's Receipts and Collector's Fees.
16	93-101	\$64,413 33	16	93	\$64,413 33
16	102-105	25,693 15	16	102	25,693 15
16	106-233	811,939 65	16	106-107	811,939 65
16	234 244	64,329 96	16	234	64,329 96
		\$966,376 09			\$966,376 09

Said "Collector's Exhibit No. 6" shows the total collection of the Collector of Revenue for the four years inclusive, May 8, 1906, to May 2, 1910.

The Collector's Cash Books, Nos. 14-15-16, were audited and analyzed thoroughly, and extensions and additions proven to be correct. As a result "Collector's Exhibit No. 6," for each year shows first, the result of collections as represented in detail upon the said Cash Book, said amount being carried into said Exhibit in totals.

The Collector balanced his Cash Book by crediting the account with amounts as deposited with the City Treasurer.

All Treasurer's receipts were audited and found to be in balance with the entries in the Collector's Cash Book.

The Collector has followed strictly the law requiring him to show in detail upon his cash books in separate columns the collections made on account of current and arrears of taxes.

Then follows upon the cash book, in separate columns, the collections made on account of Assessments, Franchise Tax, etc., etc.

It is not a difficult task to audit the accounts of the Collector, though a very long and tedious one.

The Collector's records are in excellent condition, and show much ability in design and form.

They are always in balance, and the condition of affairs as shown thereon, is very commendable.

THE BUDGET.

The Budget needs most careful consideration, analysis and entry in the books of record of your city, for it is the foundation of annual operation.

It has been the custom to enter the appropriated amounts desired by the Departments, and financial requirements of the city, into schedules controlled more by the title of the said schedule, than by the proper grouping into departmental requirements, then submitting said schedules for approval to the legally constituted authorities.

Salaries for all departments were carried into a general salary account against which was charged indiscriminately all warrants authorized to be paid on account of salaries.

No segregation of the account was made to see whether one department was charged with more money for salaries than was appropriated for it.

This salary account was treated more as a general account than any other account entered, and required the most work to analyze.

Some of the remaining accounts were grouped by the Treasurer, but not to so great an extent by the Comptroller.

The Comptroller practically kept an account with each appropriated amount, except with salaries.

The Budget of 1910-11 was formulated and submitted for approval to the Board of Tax Commissioners before we were authorized to examine into the condition of affairs of the city.

We did not get to the examination of the said Budget and the necessary accounts to control it until long after its final approval by your Honorable Body.

Notwithstanding the fact that it was prepared as to form after the old method, we assumed that the law sufficiently authorized the City Comptroller to segregate the various appropriations into proper accounts.

We journalized each item that entered into the appropriated amounts as a credit, and as a debit those that were charged against the taxpayers, the State of New Jersey, prospective collection from Excise operation, and the unexpended balances of certain funds, in order to have a balanced account for the operation of the said financial year 1910-11.

We then classified the Budget into proper divisions, so as to conform to the system prepared, and herewith submit the accounts prepared in Budget Exhibit No. 1, following.

The entries conform strictly to approved method, and have been properly recorded in the Comptroller's Ledger as a basis of operation.

All debits and credits during the year 1910-11 have been made according to the same modern method, and the result will be shown in the annual report of the Comptroller.

The Exhibit follows:

+-----+
BUDGET—1910-11.

DEBIT.		CREDIT.	
EXHIBIT A—General Schedule—Amount charged on account of		EXHIBIT B—General Schedule—Appropriation on account of	
A—Taxes assessed against rates		E—General Government.....	\$54,548 33
ables	\$666,268 33	F—Protection of Life, Health and Property	307,153 24
B—Transfers from other funds.	118,954 34	G—Public Charity and Corrections	26,400 00
C—The State of New Jersey for Schools	241,274 53	H—Public Works—	
D—Franchise Tax.....	24,774 90	Ha: Street Department.....	45,401 50
		Hb: City's share Madison Ave. Improvement	2,586 35
		Hc: Removing Ashes, Garbage and Dead Animals (contract)	12,020 00
		Hd: Street and Public Building Lighting	30,850 00
		I—Public Education, Recreation, etc.—	
		Education	381,033 78
		Recreation	17,180 00
		J—Public Debt	78,712 83
		K—Interest	95,386 07
Total Debit Budget, 10/11....\$1,051,272 10		Total Credit Budget, 10/11...\$1,051,272 10	

DEBIT.		CREDIT.	
A—Detail Schedules:		B—Detail Schedules:	
A—Taxes for 1910-11.....	\$666,268 33	E—General Government.	
B—Transfers on account of		1. Salary, Mayor	\$2,000 00
1. Water Main Bond Fund	\$2,500 00	2. Salary—Legislative Council, City Clerk and Assistants	9,308 33
2. Election Fund... 1,500 00		3. Salary—Law Dept.....	4,300 00
3. Fire Dept. Balance	1,499 00	4. Salary—Finance Dept. Collector of Revenue and Assistant; Treasurer and Assistant; Comptroller..	10,200 00
4. Salary Fund..... 81 92		5. Salary—City Building. Two Engineers and Janitor	2,700 00
5. Ashes and Garbage Fund 373 42		6. Salary—Miscellaneous. License Inspector, 10 Tax Commissioners, 5 Commissioners of Assessments, Clerk to Assessment Commissioners, Excise License Inspector	10,900 00
6. License Fund... 113,000 00			
Total Transfers.....	118,954 34		
C—The State of New Jersey for Schools	241,274 53		
D—Franchise Tax, Sundry Corporations	24,774 90		

7. Printing and Stationery....	4,500 00
8. Printing Building Code....	1,000 00
9. Printing and Stationery.	
Excise Commissioners....	1,200 00
10. Coal and Wood, City Building	1,500 00
11. Ice, City Building.....	200 00
12. Supplies for City Hall and Police Sub-Station	300 00
13. Repairs to City Hall and Police Sub-Station.....	400 00
14. Filing Cabinet for City Clerk	600 00
15. Water for Public Building	225 00
16—Insurance on City property	500 00
17. Expert testimony, Water Front and Lackawanna R. R.	3,000 00
18. Clerk hire for secretary and copies of Budget....	315 00
19. Incidental expenses, Commissioners of Taxes.....	200 00
20. Contingent Fund	1,200 00
F—Protection of Life, Health and Property.	
21. Police Department.....	152,364 16
22. Fire Department.....	140,513 68
23. Public Health.....	3,273 40
24. Public Repairs to Pound..	200 00
25. Salary Janitor Police Station	900 00
26. Salary, Courts—Recorder, Clerk to Recorder, Constable, Judge District Court, Clerk to District Court, Balance due Constable....	8,702 00
27. Salary Inspector of Building	1,200 00
G—Public Charity and Corrections.	
28. Sick and Indigent Poor....	17,500 00
29. Outdoor Poor	5,000 00
30. Medicine for Poor.....	500 00
31. Salary Overseer, City Physician and Assistant.....	3,400 00
H—Public Works.	
Street Department.	
Ha 32. Uniform and Caps, Street Cleaners.....	280 00

Ha 33. Uniform and Caps, Sewer Cleaners	52 50
Ha 34. Boots and Oil Suits, Sewer Cleaners	100 00
Ha 35. Horse	250 00
Ha 36. Salary, administrative, Street Commissioner and Assistant	3,500 00
Ha 37. Feeding and Shoeing Street Department Horses	1,700 00
Ha 38. Repairs, City Stable..	1,000 00
Ha 39. Painting Carts.....	60 00
Ha 40. Machine Brooms, Street Department	300 00
Ha 41. Hand Brooms, Street Department	350 00
Ha 42. Broom Handles, Street Department	20 00
Ha 43. Upkeep 6 carts, repair- ing carts, purchase of tools	300 00
Ha 44—Can Carriers	100 00
Ha 45. Street Cleaning Sup- plies, etc.....	18,000 00
Ha 46. Salary Street Cleaning Department. Driver on Sweeper, 3 Cart Drivers, Stablemen, Assistant Sta- blemen, Foreman on Streets	4,980 00
Ha 47. Sprinkling around City Hall	120 00
Ha 48. Sprinkling Street Sweepers	800 00
Ha 49. Cleaning Drain Boxes	500 00
Ha 50. Six (6) men Cleaning Basins	4,680 00
Ha 51. Labor Repairing Sew- ers	300 00
Ha 52. Iron pipe connections for Basins	360 00
No. 53. Jackson Street Box Sewer	300 00
Ha 54. Salary Sewers, (Sluice Gate Keeper and Assistant	1,440 00
Ha 55. Wood Block Pavement (11th and Hudson Sts.)....	900 00
Ha 56. Repairs to Sixth St., Madison and Monroe.....	1,000 00
Ha 57. Repairs to Streets....	2,000 00

Ha 58. Repairs to Asphalt Streets	2,000 00
Hb 59. City's share Madison Ave. Improvement.....	2,586 35
Hc 60. Removing Asnes and Garbage	11,520 00
Hc 61. Removing Dead Animals	500 00
Hd 62. Street and Public Building Lighting	30,850 00
I—Public Education, Recreation, etc.	
Education:	
Public Schools.....	373,533 78
Industrial Education.....	7,000 00
Custodian of Schools.....	500 00
Recreation, etc.:	
Music in Parks	700 00
Salary, Parks, Superintendent, 4 Park Keepers, 7 Assistants, City Gardener and Assistants	11,280 00
Playgrounds	3,500 00
Repairs to Bath.....	400 00
Berth for Bath.....	240 00
Caretaker for Bath.....	160 00
Salary Bathkeeper	400 00
Observance—Memorial Day...	500 00
J—Public Debt.	
To pay Temporary Loan Bonds	
Bonds	12,712 83
Sinking Fund Requirements..	66,000 00
K—Interest.	
Interest—Funded Debt.....	90,716 04
Interest—Temporary Loan....	508 51
Interest—Temporary Loan, 1909-10	4,161 52
<hr/>	
Total Budget Debit Appropriations	\$1,051,272 10
<hr/>	
Total Budget Credit Appropriations	\$1,051,272 10

SINKING FUNDS AND THE SINKING FUND COMMISSIONERS.

The question of Sinking Funds is one of the most important that concerns the authorities and taxpayers of your city.

The authority granted by statute to issue bonds and to expend the money received from the sale thereof, usually carries a proviso, as follows:

"Provided, That in order to redeem the bonds issued in pursuance of this Act at their maturity, it shall be the duty of the governing body of such city, town, township or bor-

ough to establish a Sinking Fund, which shall be created by a special tax of not less than two or three per centum upon the issue herein provided for, to be raised in the annual tax levy, or from the collections of assessments for improvements in cases where the indebtedness was originally incurred to pay for local improvements assessable upon lands benefited, or both, at the option of the governing body thereof."

This Sinking Fund provision has been carried out in practically all bond issues of the city, the Sinking Fund requirements being passed into the Budget at the minimum rate of installment provided by the law, without reference to the actual amount which should accrue at maturity of the bonds on account of which the fund was created.

Instead of this method, each annual Sinking Fund requirement should have been accurately calculated, so that the accrued value of the said annual installments provided would have amortised the indebtedness at maturity of the bonds.

The City Treasurer kept a record of the amounts set aside and appropriated through the operation of the Budget, without reference to the interest which should have accrued under Sinking Fund investments.

The Sinking Fund Accounts, as entered May 2, 1910, upon the Treasurer's Ledger, are shown in the following "Sinking Fund Exhibit No. 1."

Park Bonds (Elysian Park Addition)	\$3,000 00
School No. 7	27,000 00
Outlet Sewer	27,000 00
Free Public Library	14,000 00
Fire Engine House	12,000 00
Redemption Uptown Improvement Certificates—Series A.....	53,640 00
Redemption Uptown Improvement Certificates—Series B.....	16,500 00
Elysian Park Improvement	5,140 00
Fire House No. 6.....	4,700 00
Funding Bonds	4,020 00
Street Repaving (Asphalt)	22,000 00
Street Repaving (Asphalt)	11,000 00
School No. 6	36,000 00
Uptown Improvement Certificates—Series C & D.....	24,000 00
School No. 8	16,800 00
Refunded Judgment	5,200 00
School No. 9	13,185 00
School No. 2 Extension	450 00
Water Mains	5,700 00
Funding Bonds (Judgment—O'Neill)	1,290 00
High School and No. 9 School—Additional.....	2,210 00
Playground	1,000 00
	<hr/>
	\$305,835 00

There was diverted from the Uptown Street Improvement Certificates "A" to the General Sinking Fund.....	15,000 00
(This item was transferred back to the account in our adjustment.)	

It makes the total set aside for Sinking Fund requirements	\$320,835 00
The Sinking Fund Commissioners invested in a Savings Account of the Second National Bank, on account of the School Funds for School No. 8.....	14,000 00

This leaves a balance of Sinking Fund requirements set aside and appropriated through annual Budgets of.... \$306,835 00
For which cash must be in the hands of the Sinking Fund Commissioners.

The Sinking Fund Accounts consisted of book entries in the Treasurer's Ledger, but no actual cash was passed into the keeping of the Sinking Fund Commissioners, nor was any entry made in the Sinking Fund Commissioners Books of Account of the Sinking Fund installments provided through the operation of the Budget.

The cash for the annual installments should have been turned over to the Sinking Fund Commissioners for investment in City, County, State or National bonds, as directed by law.

Instead, the cash was retained in the City Treasury and kept in a general cash account, thus being placed beyond the control of the Sinking Fund Commissioners.

The law directs the prompt transfer of the money appropriated to the said Commission to be deposited in bank in a Sinking Fund Account, to be drawn only upon warrant signed by the President and Secretary of the said Commission.

The money provided was used for operating or other expense of the city.

It would have been proper to use the money in this manner, providing said money had been borrowed by the city in anticipation of the collection of taxes and temporary loan bonds issued therefor, payable to the Sinking Fund Commission.

In order to correct the defect and provide the Sinking Fund Commission with the temporary loan bonds necessary to balance the Sinking Fund cash borrowed and used by the city, including the compounded interest on the said Sinking Fund cash, which should have accrued, had the same been properly invested, we had your Honorable Body on July 13, 1910, authorize the issue of temporary loan bonds to cover the Sinking Fund installments and accrued interest on investments as per "Sinking Fund Exhibit No. 2," as follows:

Name of Bond.	Amount of Bond per Sinking Fund.	Interest on Same.	Total of Temporary Loan Bond Issued.
Park Bond (Elysian Park Addition).....	\$3,000 00	\$106 23	\$3,106 23
School House No. 7	27,000 00	6,435 71	33,435 71
Outlet Sewer	27,000 00	6,435 71	33,435 71
Free Public Library	14,000 00	3,423 18	17,423 18
Fire Engine House	12,000 00	2,601 98	14,601 98
Redemption Uptown Improvement Certificates "A"	68,640 00	13,366 02	82,006 02
Redemption Uptown Improvement Certificates "B"	16,500 00	3,212 99	19,712 99
Elysian Park Improvement.....	5,140 00	279 42	5,419 42
Fire House No. 6	4,700 00	130 60	4,830 60
Funding Bonds	4,020 00	70 35	4,090 35
Street Repaving (Asphalt).....	22,000 00	4,284 00	26,284 00
Street Repaving (Asphalt).....	11,000 00	2,142 01	13,142 01
School No. 6.....	0 00	0 00	

The Sinking Fund installments provided through the operation of the Budget to May 2, 1910, amounted to \$36,000.00, on which there was accrued interest to the above date of \$12,701.74. This issue was due and payable July 1, 1910, and the cash was provided to balance the Sinking Fund installments of \$36,000.00, plus the \$2,000.00 regularly due in the Budget of 1910-11, plus an extra installment of \$2,000.00 in said Budget, or a total of \$40,000.00. This matter was adjusted prior to the date of the action of Council, viz.: (July 13,

1910), authorizing temporary loan bonds to be issued for all Sinking Fund Cash loaned to the city, and consequently does not appear regularly in this schedule.

Uptown Improvement Certificates "C and D".....	24,000 00	3,155 07	27,155 07
School No. 8	2,765 33		2,765 33

The total installment provided for this issue through the operation of the Budget is \$16,800.00. \$14,000.00 of the said sum is invested in a Savings Account in the Second National Bank, leaving the balance of \$2,800.00 not invested. The Treasurer has credited to this account for interest \$1,575.10. The actual interest accrued to May 2/10 was \$1,540.43. This should stand as an investment against the Sinking Fund installment, making the Bond to be issued for the balance of the loan on the said "School No. 8" \$2,765.33.

Refunded Judgment	5,200 00	376 96	5,576 96
School No. 9	13,185 00	466 83	13,651 86
School No. 2 Extension	450 00	7 88	457 88
Water Mains	5,700 00	99 75	5,799 75
Funding Bonds (Judgment—O'Neill).....	1,290 00	22 58	1,312 58
High School (Additional) No. 9 School...	2,210 00	0 00	2,210 00
Playground	1,000 00	0 00	1,000 00
	<hr/> \$270,800 33	<hr/> \$46,617 30	<hr/> \$317,417 63

The annual Sinking Fund requirements having been provided at the minimum rate allowed by law, we submit "Sinking Fund Exhibit No. 3," enabling a comparison to be made between the adjusted accrued value of the Sinking Funds as they appear May 2, 1910, and the amount that should have accrued May 2, 1910, to amortise the debt at due date:

Name of Bond.	Accrued value at at May 2, 1910, for which bonds were issued.	Value that should have accrued.
Park Bond (Elysian Park Addition).....	\$3,106 23	\$2,647 70
School No. 7	33,435 71	51,277 50
Outlet Sewer	33,435 71	56,975 00
Free Public Library	17,423 18	28,487 50
Fire Engine House	14,601 98	14,243 75
Redemption Uptown Improvement Certificate "A"	82,006 02	161,091 84
Redemption Uptown Improvement Certificate "B"	19,712 99	34,852 50
Elysian Park Improvement.....	5,419 42	2,436 49
Fire House No. 6.....	4,830 60	4,942 35
Funding Bonds	4,090 35	4,820 65
Street Repaving (Asphalt).....	26,284 00	42,426 00
Street Repaving (Asphalt).....	13,142 01	14,142 00
Uptown Improvement Certificates "C & D"....	27,155 07	39,364 64

School No. 8	15,575 10)	
	2,765 33)	17,763 20
Refunded Judgment	5,576 96	5,401 24
School No. 9	13,651 86	13,217 24
School No. 2 Extension	457 88	293 84
Water Mains	5,799 75	3,744 90
Funding Bonds (Judgment—O'Neill)	1,312 58	847 53
High School (Additional) No. 9 School	2,210 00	2,140 39
Playground	1,000 00	968 50
Total accrued value 5/2/10, and amount should have accrued		
	\$317,417 63	\$502,084 76
School No 6 Bonds, due July 1/10, should have had the total amount of		
		100,000 00
The total value that should have accrued 5/2/10 was		
		\$602,084 76

It appears that the Mayor and Council and the Board of Tax Commissioners were not fully advised as to proper Sinking Fund requirements, inasmuch as the minimum rate was furnished through the departments responsible for the amounts to be provided through the Budget, and no record appears as to calculations made to determine the correct amount necessary to amortise the debt at maturity.

The Budget of all past years being closed, and the ratables charged with specific amounts apparently sufficient to liquidate annual obligations, it is not possible to open up said Budget Accounts to correct errors in calculations for any of the years passed.

Bonds could not now under any legal consideration be authorized to meet the full Sinking Fund requirements as correctly calculated.

The law was complied with when the minimum rate was provided, and there has never appeared during any of the years considered any apparent charge which has not been provided for.

As the law directs that money shall be raised to pay all annual obligations through a charge against ratables for each specific year, it is a most absurdly advanced idea which contemplates the issue of bonds to now meet past Sinking Fund requirements, inasmuch as no legal charge can be made against the ratables for the same.

The question is one of future adjustment, and two courses are open.

The first, to increase the annual Sinking Fund requirements from the present time to the due date of each obligation.

This will very materially increase the annual appropriation for Sinking Fund purposes. The second course is to refund at due date any balances not provided for.

In order that a comparison may be made of the amount set aside in the past for Sinking Fund requirements, and the amount that would be necessary to set aside in the future to amortise the debt at due date, we submit "Sinking Fund Exhibit No. 4":

Name of Bond.	Due Date	Amount of Bonds for which S. F. are pro- vided.	Annual S. F. Installments as now provided.	Annual Amt. necessary to be provided in the future to amortise debt.
Park Bonds (Elysian Park Addition) ..	4/1/16	\$10,000 00)		
Elysian Park Improvement (Joint S. Funds)	1/1/25	12,850 00)	1,000 00	700 00
School No. 7	6/1/18	13,000 00)		
	3/1/17	90,000 00)	2,000 00	8,250 00

Outlet Sewer	3/1/17	100,000 00	2,000 00	3,300 00
Free Public Library	3/1/17	50,000 00	1,000 00	5,115 00
Fire Engine House.....	10/1/17	25,000 00	1,000 00	800 00
Uptown Street Improvement Certificate "A"	12/1/18	312,000 00	6,240 00	25,210 00
Uptown Street Improvement Certificate "B"	2/1/19	75,000 00	1,500 00	6,060 00
Fire House, No. 6.....	8/1/26	25,000 00)		
	8/1/27	20,000 00)	1,900 00	1,620 00
Funding Bonds	9/1/27	67,000 00	2,010 00	2,680 00
Street Repaving (Asphalt).....	5/2/28	150,000 00	2,000 00	2,360 00
Street Repaving (Asphalt).....	10/1/28	50,000 00	1,000 00	1,050 00
Uptown Street Improvement Certificates "C & D".....	11/15/31	196,000 00	3,000 00	4,750 00
School No. 8.....	3/1/34	140,000 00	2,800 00	2,800 00
Refunded Judgment	2/1/35	52,000 00	1,040 00	1,040 00
School No. 9.....	1/1/37	219,685 00	4,395 00	4,395 00
School No. 2 Extension.....	5/1/38	7,454 00	225 00	140 00
Water Mains	5/1/38	95,000 00	2,850 00	1,780 00
Funding (Judgment—O'Neill)	5/1/38	21,500 00	645 00	405 00
High School and No. 9 Additional....	1/1/39 H. S.	100,000 00)		
	1/1/39 No. 9	10,500 00)	2,210 00	2,260 00
Playground	5/1/39	50,000 00	1,000 00	1,025 00
No. 2 Engine, issued Mar. 1/04, Due Mar 1/24		15,000 00	1,000 00	930 00
No installment was provided for this issue until the tax year 1910-11, when \$1,000.00 was appropriated for Sinking Fund. The same amount will be provided in 1911/12. From and after this year \$930.00 will be sufficient.				
Repaving Streets	7/1/39	125,000 00	3,125 00	2,425 00
Water Bonds—Laying Mains.....	7/1/39	22,000 00	660 00	430 00
Total present and future Sinking Fund requirements			\$44,600 00	\$82,205 00

Police Dept. (Sub-Station)..... 11/1/12 24,000 00

The \$24,000 00 4½% Police Department (Sub-station) Bonds issued Nov. 24, 1892, and due Nov 1, 1912, had no Sinking Fund installments provided for the amortising of said debt until the tax year 1910-11, when \$2,400 00 was set aside and appropriated for said purpose.

There will be \$2,400.00 set aside for the tax year 1911-12.

There can be a further installment of the same amount which would be available for the tax year 1912-13, but the balance will probably have to be refunded, as will be noted in our recommendations as to Sinking Funds to be soon taken up.

There is a balance in the bond issue for "Cleaning and Repairing Sewers" of \$14,000.00. These said bonds are due and payable as follows:

\$3,500 00.....Nov. 25, 1910.—Since paid.
 3,500 00.....Nov. 25, 1911.
 3,500 00.....Nov. 25, 1912.
 3,500 00.....Nov. 25, 1913.

The original issue was for \$35,000 00, payable in ten (10) years.

Each year there has been, and there will be included in the Annual Budget a sum sufficient to redeem the bond due in that year.

The money invested in this said fund has been principally provided through the "General Cash Account," and apparently never has been raised for a specific purpose, and we are of the opinion that it should be considered as a loan from General Cash, held by the Sinking Fund Commissioners.

The bonds were issued in November, 1903, dated Nov. 15, 1903, and \$3,500.00 was due and payable each year to and including Nov. 15, 1913.

Each year, beginning with the Budget of 1904-05, there has been raised \$1,400.00 to pay interest on the full amount of the original issue.

To and including the tax year 1909/10, there has been raised on account of said interest \$8,400.00.

There should have been but \$6,300.00 raised.

This makes an excess interest raised of \$2,100.00.

On account of the excess raised, there was no interest for the balance of the bond account placed in the Budget of 1910/11.

In addition there are three temporary loan bonds due and payable as follows:

Hudson Fulton Tercentenary.....\$5,000 00—Due Dec. 15, 1910.

Water—30" Main 4,217 83—Due Dec. 15, 1910.

Removing Ashes 3,495 00—Due Dec. 15, 1910.

The money from the payment of the four above bonds, amounting to \$16,212.83, will be taken into account in the adjustment of the Assets and Liabilities of the city. The said money being provided principally through the General Cash, it should be treated as a loan from General Cash held by the Sinking Fund Commission.

We think it advisable to suggest the course to be pursued with reference to Sinking Fund requirements, and beg to submit the following:

SINKING FUND RECOMMENDATION.

The Sinking Fund to pay \$10,000.00 4% "Park Bonds" due April 1, 1910, received installments of \$1,000.00 each year, beginning with 1908. On May 2, 1910, there was three installments in the Sinking Fund.

In the Tax Budget of 1910-11 it was ordered that \$1,000.00 be jointly provided for the above "Park Sinking Fund," and the Sinking Fund to pay \$12,850.00 4% "Park Bonds," due Jan. 1, 1925, for which, up to the Tax Budget of 1910-11, there was provided each year \$1,285.00 for four (4) years.

Therefore, in the Budget of 1910-11 these two Sinking Funds were consolidated, and it is the apparent intention to continue the joint payments of \$1,000.00 until the last Park Bonds become due, on Jan. 1, 1925.

This sum will be more than sufficient to pay the Bonds, and it is recommended that the installment be reduced to \$700.00, and continued until 1924-25.

If the sums are properly invested at 3½%, there will be sufficient money to pay the Bonds.

The Sinking Fund to pay \$50,000.00 4% "Free Public Library Construction Bonds," due March 1, 1917, will only have \$27,957.35 in the Fund to pay the Bonds when due, providing the investments are properly made.

In view of the short time these Bonds have yet to run, it would require an increase of \$4,115.00 to each of the remaining installments to redeem the Bonds when due. This is considered too great an increase, and it is recommended that the installments remain as now provided, and that one-half (½) of the issue, or \$25,000.00, be paid when the Bonds become due, and the remaining \$25,000.00 be refunded.

The Sinking Fund to pay \$100,000.00 4% "Main Outlet Sewer Bonds," \$10,000.00 due March 1, 1917, and \$10,000.00 each succeeding year to and including March 1, 1926, will not have sufficient funds to redeem all of the Bonds as they mature. There will only be sufficient to pay those up to and including March 1, 1923.

As it will require but an increase of \$1,300.00 each year to have sufficient money to redeem the bonds when due, and in view of the fact that it would be almost impossible to refund any of this issue, on account of the manner in which the bonds mature, it is recommended that the yearly installment be \$3,300.00, instead of \$2,000.00, as now provided.

The Sinking Fund to pay \$90,000.00 4% Bonds, due March 1, 1917, and \$13,000.00 4% due June 1, 1918 (School No. 7 Bonds) will have to its credit \$81,436.60 in 1917, when the first issue of \$90,000.00 becomes due. In view of the short time remaining to make up the difference, the cost would be \$3,250.00 per year, in addition to the \$5,000.00 as now provided.

In this connection, it should be noted that up to the Budget of 1910-11, only \$2,000.00 was provided each year for a Sinking Fund.

It is recommended that \$80,000.00 of the \$90,000.00 coming due March 1, 1917, be paid, and that the remaining \$10,000.00, together, with the \$13,000.00 due June 1, 1918, be refunded.

The Sinking Fund to pay \$25,000.00 4% "Fire Engine House Bonds," due Oct. 1, 1917, will have \$26,357.18 in the Fund in 1917, when the Bonds mature. This would be an excess of \$1,357.18, which can be saved in the next six installments.

It is recommended that the succeeding installments be made \$800.00 each year, instead of \$1,000.00, as now provided.

The Sinking Fund to pay \$312,000.00 4% "Redemption of Uptown Street Improvement Certificate Bonds A," due Dec. 1, 1918, will have in the Fund in 1918, when the bonds mature, \$164,468.77. The added yearly cost to bring this Fund up to the required amount would be \$18,970.00. This would be an excessive amount to be paid by the taxpayers during the next seven (7) years. It is therefore recommended that \$162,000.00 of said Bonds be paid when due, and that the remaining \$150,000.00 be refunded.

The Sinking Fund to pay \$75,000.00 4% "Redemption of Uptown Street Improvement Certificate Bonds B," due Feb. 1, 1919, will have to its credit only \$39,535.75. In order to bring this Fund to the required amount, it will be necessary to increase the annual installment by \$4,560.00, making the installment \$6,060.00, instead of \$1,500.00, as now provided.

It is recommended that \$40,000.00 of the issue be paid when due, the remaining \$35,000.00 to be refunded.

The Sinking Fund to pay \$25,000.00 4% "Fire House No. 6 Bonds," due August 1, 1926, and \$20,000.00, due August 1, 1927, will have an excess amount of \$5,933.89 after the Bonds have been paid, and this can be saved by reducing the amount of the yearly installment.

It is therefore recommended that the yearly installment be \$1,620.00, instead of \$1,900.00, as now provided.

The Sinking Fund to pay \$67,000.00 4½% "Funding Bonds," due Sept. 1, 1927, will have in the Fund at date the Bonds mature \$52,977.92. The long time which the Bonds have to run will reduce the yearly cost of making up the difference to \$670.00.

In view of the slight added annual cost, it is recommended that the yearly installment to the Sinking Fund be \$2,680.00, instead of \$2,010.00, as now provided.

The Sinking Fund to pay \$150,000.00 4% "Street Repairing Bonds," due May 2, 1928, will have \$92,581.26 in the Fund at the time of maturity of the Bonds. It would cost \$2,740.00 a year additional to bring this Sinking Fund up to \$150,000.00 in the given time.

It is recommended that an amount sufficient to make \$100,000.00 on May 2, 1928, be placed in the Fund each year, viz.: That the Sinking Fund Installment be \$2,360.00 each year, instead of \$2,000.00, as now provided.

The Sinking Fund to pay \$50,000.00 4% "Street Repairing Bonds," due Oct. 1, 1928, by reason of the fact that it will receive but twenty-nine (29) instead of thirty (30) installments, will have only \$48,910.80 to pay the \$50,000.00.

It is recommended that \$50.00 be added to each annual installment, making said installment \$1,050.00 each year.

The Sinking Fund to pay \$196,000.00 3½% "Uptown Street Improvement Certificate Bonds, C & D," due Nov. 15, 1931, will have \$146,732.40 in the Fund when the Bonds mature.

In view of the fact that these are 3½% Bonds, and would have to be refunded at a higher rate, it would be advisable to increase the installment so as to have a sufficient sum in it, to redeem the Bonds when due.

It is therefore recommended that the yearly installment be \$4,750.00, instead of \$3,000.00, as now provided.

The following Sinking Funds will have sufficient funds to meet their respective Bonds when due:

Sinking Fund to pay \$140,000 00—4% "School No. 8 Bonds," due
March 1, 1934.

Sinking Fund to pay 52,000 00—4% "Refunded Judgment Bonds,"
due Feb. 1, 1935.

Sinking Fund to pay 219,005 00—4% "School No. 9 Bonds," due
Jan. 1, 1937.

If the Sinking Fund installments to pay \$21,500.00 5% "Funding Bonds, due May 1, 1938, were continued as now provided, it would result in a surplus of \$10,047.47. This can be saved by reducing the annual installment, and it is recommended that the installment be \$405.00, instead of \$645.00, as now provided.

The Sinking Fund to pay \$7,454.00 4½% "Extension to School No. 2 Bonds," due May 1, 1938, will have \$11,004.93 to meet the Bonds when due. The surplus can be saved by reducing the yearly installment, and it is recommended that the installment be \$140.00 instead of \$225.00, as now provided.

The Sinking Fund to pay \$95,000.00 5% "Water Bonds," due May 1, 1936, and 8, will have \$139,395.78 to pay the Bonds when due.

The surplus can be saved by reducing the installment \$1,070.00 each year, and it is recommended that the installment be \$1,780.00 each year, instead of \$2,850.00, as now provided.

The Sinking Fund to pay \$50,000.00 4% "Playground Bonds," due May 1, 1939, which formerly received \$1,000.00 each year, and which in the Budget of 1910-11 received \$1,500.00, should receive but \$1,025.00 annually.

It is recommended that the installment hereafter be \$1,025.00 per year.

The Sinking Fund to pay \$125,000.00 4% "Repaving Street Bonds," due July 1, 1939, the first installment of which \$3,125.00, is provided for in the Budget of 1910-11, should receive but \$2,425.00, and it is recommended that the installment hereafter be \$2,425.00.

The Sinking Fund to pay \$22,000.00 4% "Water Bonds—Laying Mains," due July 1, 1939, the first installment of which, \$600.00, is provided for in the Budget of 1910-11, should receive but \$430.00.

It is recommended that the installment be made \$430.00 in the succeeding Budgets.

There has been no provision for a Sinking Fund to pay \$15,000.00 4% "Erection of two (2) Engine Houses," due March 1, 1924, until the Budget of 1910-11, when \$1,000.00 was provided. As \$930.00 will be sufficient, it is recommended that the succeeding Budget provide \$930.00 each year.

The Sinking Fund to pay \$100,000.00 4% "High School," and \$10,500.00 4% "School

House No. 9" Bonds, due Jan. 1, 1939, should have an additional installment of \$50.00 each year.

It is recommended that said installment be \$2,260.00, instead of \$2,210.00, as now provided.

As previously stated, no detailed entries were made in either the books of the Comptroller, or of the Sinking Fund Commission.

We have prepared and made the necessary entries in the books of the Comptroller, who by law is also the Secretary of the Sinking Fund Commission.

The General Exhibit of Sinking Funds show the total amount to be annually raised, and the total of the interest to be earned, which is offset by the outstanding Bond issues, and a surplus in the Sinking Fund Account, which is to be closed out.

The Sinking Fund requirements are to be annually closed into the Budget, and it is practically impossible to omit any installment.

These said installments are a valuable asset of the City under the law, and is an obligation which the taxpayers must annually promptly meet, in order to protect the credit of the city.

The record is complete.

Any changes in the amount of any installment, either an increase or decrease, is taken care of through the Unearned Interest Account.

The total installment and Bond Exhibit, followed by the annual installments, is here submitted:

EXHIBIT B—SINKING FUNDS—UNEARNED INTEREST—BONDS—SURPLUS
SINKING FUNDS.

DEBIT.	CREDIT.
1—Sinking Fund Requirements, as provided to May 2, 1910	33—Bonded debt, per schedule. \$2,204,681 83
2—Sinking Fund Requirements, 1910-11	34—Sinking Fund Surplus, per schedule 17,161 00
3—Sinking Fund Requirements, 1911-12	
4—Sinking Fund Requirements, 1912-13	
5—Sinking Fund Requirements, 1913-14	
6—Sinking Fund Requirements, 1914-15	
7—Sinking Fund Requirements, 1915-16	
8—Sinking Fund Requirements, 1916-17	
9—Sinking Fund Requirements, 1917-18	
10—Sinking Fund Requirements, 1918-19	
11—Sinking Fund Requirements, 1919-20	
12—Sinking Fund Requirements, 1920-21	

13—Sinking Fund Requirements, 1921-22	33,370 00
14—Sinking Fund Requirements, 1922-23	33,370 00
15—Sinking Fund Requirements, 1923-24	33,370 00
16—Sinking Fund Requirements, 1924-25	32,370 00
17—Sinking Fund Requirements, 1925-26	31,085 00
18—Sinking Fund Requirements, 1926-27	29,085 00
19—Sinking Fund Requirements, 1927-28	29,085 00
20—Sinking Fund Requirements, 1928-29	23,175 00
21—Sinking Fund Requirements, 1929-30	22,175 00
22—Sinking Fund Requirements, 1930-31	22,175 00
23—Sinking Fund Requirements, 1931-32	22,175 00
24—Sinking Fund Requirements, 1932-33	19,175 00
25—Sinking Fund Requirements, 1933-34	19,175 00
26—Sinking Fund Requirements, 1934-35	16,375 00
27—Sinking Fund Requirements, 1935-36	15,335 00
28—Sinking Fund Requirements, 1936-37	15,335 00
29—Sinking Fund Requirements, 1937-38	10,940 00
30—Sinking Fund Requirements, 1938-39	6,995 00
31—Sinking Fund Requirements, 1939-40	3,785 00
32—Unearned interest, per sched- ule	948,815 00

Total Sinking Fund Require-
ments and unearned interest.\$2,221,842 83

Total Credit Bonds and Sinking
Funds\$2,221,842 83

The above, "Exhibit B, Sinking Funds," is that portion of the Balance Sheet which relates to the Bonded Debt of your city, and the contra entries to said Bonded Debt.

Every law that now authorizes the issue of bonds for a specific purpose, provides a Sinking Fund to amortise the debt at maturity.

These Sinking Fund requirements are an absolute charge against the ratables of the

city, and are annually automatically closed into the taxes for that year, and are recognized by law and the Courts as being the only asset to offset the bond obligations.

The Courts under no circumstances would authorize the sale of School, Fire, Police, City Hall or other property of the city to compel the payment of bonds defaulted in by a city, but would take steps to see that the Sinking Fund charge originally created was assessed against the ratables and collected.

The tangible, physical fixed property values of a city are the permanent fixed assets or the property surplus of the city, and represent capital value invested in, in the past. But the bonded indebtedness of the city is balanced in the accounts by the Sinking Fund Cash, Sinking Fund Investment, Sinking Fund Requirements, and Unearned Interest, as we have set up the accounts in "Exhibit B" above, and in detail as shown on the following pages.

A CIRCULAR RECENTLY DISTRIBUTED TO OFFICERS OF THE CITY apparently sets up lands, buildings, equipments and other permanent improvements as an asset or debit account, and the credit entry, which includes Funded Debt, Sinking Funds, Surplus cash and Surplus Properties over Net Funded Debt.

IN ORDER TO CORRECT ANY ERRONEOUS IMPRESSION LEFT BY THIS CIRCULAR, WE DESIRE TO QUOTE THE LAW AND AUTHORITIES ON THIS SUBJECT.

The constitution of the State of New Jersey, Article 1, Section 6, Part 4, says:

"The Legislature shall not, in any manner, create any debt or debts, liability or liabilities of the State, which shall singly, or in the aggregate, with any previous debts or liabilities at any time exceed \$100,000.00, except for purposes of war, or to repel invasion, or suppress insurrection, unless the same shall be authorized by a law for some single object or work, to be distinctly specified therein; WHICH LAW SHALL PROVIDE THE WAYS AND MEANS, exclusive of loans, TO PAY THE INTEREST OF SUCH DEBT OR LIABILITY AS IT FALLS DUE, AND ALSO TO PAY AND DISCHARGE THE PRINCIPAL OF SUCH DEBT OR LIABILITY, within thirty-five years, etc., etc., etc."

The constitutional requirement for debts created by the State has been carried into all State enactments for debts created by municipalities.

Under no circumstances could the Legislature of this State enact a law for one of its municipalities in conflict with the constitution, which, as quoted, specifically says in reference to debt, that none shall be created "UNLESS THE SAME SHALL BE AUTHORIZED BY A LAW FOR SOME SINGLE OBJECT OR WORK, TO BE DISTINCTLY SPECIFIED THEREIN; WHICH LAW SHALL PROVIDE THE WAYS AND MEANS, EXCLUSIVE OF LOANS TO PAY THE INTEREST OF SUCH DEBT OR LIABILITY AS IT FALLS DUE, AND ALSO TO PAY AND DISCHARGE THE PRINCIPAL OF SUCH DEBT OR LIABILITY WITHIN THIRTY-FIVE YEARS."

When authority is given by a specific enactment to issue bonds for some purpose allowed by law, there is a provision incorporated in said law as follows:

"Provided, that in order to redeem the bonds issued in pursuance of this Act at their maturity, it shall be the duty of the governing body of such city, town, township or borough to establish a Sinking Fund, which shall be created by a tax of not less than two (generally) per centum upon the issue herein provided for, to be raised in the annual tax levy, etc., etc."

To carry out the provisions of this proviso, there should be entered an account upon the books of the Comptroller, after the following form, the original entry being made by us, and which we copy from the records.

	Dr. Acct.	Cr. Acct.
Requirements due Sinking Funds previous to date	\$2,210 00	
NOTE—Only one years has elapsed since these bonds were issued.		
Sinking Fund Requirements, 1910-11.....	2,210 00	
Sinking Fund Requirements, 1911-12.....	2,210 00	
Sinking Fund Requirements, 1912-13.....	2,210 00	
Sinking Fund Requirements, 1913-14.....	2,210 00	
Sinking Fund Requirements, 1914-15.....	2,210 00	
Sinking Fund Requirements, 1915-16.....	2,210 00	
Sinking Fund Requirements, 1916-17.....	2,210 00	
Sinking Fund Requirements, 1917-18.....	2,210 00	
Sinking Fund Requirements, 1918-19.....	2,210 00	
Sinking Fund Requirements, 1919-20.....	2,210 00	
Sinking Fund Requirements, 1920-21.....	2,210 00	
Sinking Fund Requirements, 1921-22.....	2,210 00	
Sinking Fund Requirements, 1922-23.....	2,210 00	
Sinking Fund Requirements, 1923-24.....	2,210 00	
Sinking Fund Requirements, 1924-25.....	2,210 00	
Sinking Fund Requirements, 1925-26.....	2,210 00	
Sinking Fund Requirements, 1926-27.....	2,210 00	
Sinking Fund Requirements, 1927-28.....	2,210 00	
Sinking Fund Requirements, 1928-29.....	2,210 00	
Sinking Fund Requirements, 1929-30.....	2,210 00	
Sinking Fund Requirements, 1930-31.....	2,210 00	
Sinking Fund Requirements, 1931-32.....	2,210 00	
Sinking Fund Requirements, 1932-33.....	2,210 00	
Sinking Fund Requirements, 1933-34.....	2,210 00	
Sinking Fund Requirements, 1934-35.....	2,210 00	
Sinking Fund Requirements, 1935-36.....	2,210 00	
Sinking Fund Requirements, 1936-37.....	2,210 00	
Sinking Fund Requirements, 1937-38.....	2,210 00	
Sinking Fund Requirements, 1938-39.....	2,210 00	
Unearned Interest	44,200 00	
School No. 9 Bonds, due Jan. 1, 1839.....		10,500 00
High School Bonds, due Jan. 1, 1839.....		100,000 00
	<hr/>	<hr/>
	\$110,500 00	\$110,500 00

The above entries are posted to accounts in the Ledger known as "Sinking Fund Requirements 1910-11," "Sinking Fund Requirements, 1911-12," etc., etc.

By this method the "Sinking Fund Requirements" of each particular current year is a matter of record, ready of reference, and an easily ascertained and recorded unit of the Balance Sheet.

Each current year the account is credited, and the amount automatically closed into the Taxes of said current year through the Budget.

An examination of "The Sinking Funds" portion of this report shows how we have recorded the specific sinking funds for each bond liability into its prospective tax year.

Each specific sinking fund cash account is debited by the Comptroller each specific tax

year when the money is turned over to the Sinking Fund Commissioners after becoming available for use and following the collection of same.

This should by law be invested in bonds and transferred to a Sinking Fund Investment Account.

As interest is received on bond investments, the unearned interest account is credited. The debit balance of said unearned interest account shows the amount to be still earned to date of maturity. The total interest earned with Sinking Fund Cash received from requirements should be sufficient to redeem the bonds at maturity.

Returning again to the legality of the accounts as entered by us.

While each specific enactment carries a similar proviso to the law quoted, there are general laws covering practically every necessary issue of bonds.

Chapter 54, of the Laws of N J., 1904, is as follows:

"An Act to authorize any city of this State to raise money either by temporary loans, or by the issue or issues of bonds for any sum not exceeding fifteen per centum of the taxable value of the real and personal property rated for assessment in such city, and to use the same for the purpose of retiring the floating or matured bonded indebtedness for the enlargement and improvement of the public buildings, water works, sewerage system, and for other lawful purposes of the City."

In this law, Section 2 reads as follows:

"Section 2—It shall be the duty of the City Council, or other governing body, to provide by taxation in the annual tax levy of such city, such sum as will be sufficient in every case to provide for the annual interest of the bonds so issued, and a sinking fund for the redemption thereof, which shall not be less than two per centum of the amount so issued."

Chapter 16 of the Laws of N. J., 1905, is as follows:

"An Act to authorize cities in this State to issue and dispose of bonds to take up and pay off other bonds about to mature, to pay which no funds have been otherwise provided:

"Section 1—Where, in any case, bonds have been heretofore lawfully issued by any city or by any board of any city in this State, and such bonds are about to fall due, and no provision has been made for the payment of the same, it shall be lawful for such city to make provision for the payment of the same by issuing for that purpose other bonds of the city," etc., etc., etc.

"Section 2—It shall be the duty of the city in which any bonds shall be issued under the authority of this Act to provide for the payment of the same by establishing a Sinking Fund sufficient to pay off the principal and interest thereof, and shall provide by taxation for raising the money for this purpose, and shall place the money derived therefrom under the control of the Sinking Fund Commissioners of such city," etc., etc., etc.

It can be readily seen that specific and general laws require the redemption of all bonds to be provided for by Sinking Funds.

This necessitates the opening of accounts as set forth on the third page preceding this.

The Sinking Funds and Unearned Interest charges are legal valid contingent assets which become current assets through the operation of the annual Budgets. The law does not recognize the physical property provided through a bond issue as the asset to offset the liability created.

Whenever a bond issue is to be provided for some capital value, each dollar of value of assessable property immediately becomes pro rata liable for the full amount of the liability created, no matter if the same be not fully provided for thirty or more years.

While the matter is clearly stated under the laws of New Jersey, the legal authorities just as clearly indicate the same general principal.

"Simonton on Municipal Bonds" says:

"Municipal Debts are paid by Taxation "

"The debts of a municipal corporation are paid by taxation. Their form may be changed, as when the general debts are funded, and bonds issued to pay them, or bonds falling due when the municipality is unable to meet them, are renewed, yet in the end all the debts are to be paid by taxes levied upon the property of the inhabitants of, or situate within the Corporation."

"Usually the Charter incorporating the municipality or some special or general law authorizes the corporation to levy taxes to pay its debts, and this provision is sufficient to include the levy of taxes to pay the principal and interest of bonds or other evidence of municipal indebtedness, and it is not necessary that the statutes authorizing the issue of bonds or other paper by a municipal corporation should expressly provide that the paper, so authorized to be issued, should be paid by the levy of taxes, because the power to pay is inherent in the power to borrow, and in order to pay the municipal corporations must impliedly have the power to tax, in order to raise the money to pay with."

"This proposition is well stated in the case of Loan Assoc. v. Topeka, 20 Wall 655, where the Court said:

"The proposition is a very broad one, that debts contracted by municipal corporations must be paid, if paid at all, out of taxes which they may lawfully levy, and that all contracts creating debts, to be paid in the future, not limited to payment from some other source, imply an obligation to pay by taxation."

"It is therefore to be inferred that when the Legislature of the State authorizes a county or city to contract a debt by bond, it intends to authorize it to levy such taxes as are necessary to pay the debt unless there is in the act itself, or some general statute, a limitation upon the power of taxation which repels such inference."

Then follows citation of cases and reference to other authorities.

The Sinking Fund Accounts are all recently entered, and each specific item can be traced through said account from the beginning to the close of the period for which the bonds were issued, and there is little possibility of missing them in the annual tax levy, now that they are a matter of record.

SCHEDULE OF ALL ANNUAL SINKING FUNDS NOW ENTERED ON THE BOOKS OF
THE CITY COMPTROLLER.

	Debit.	Credit.
REQUIREMENTS DUE SINKING FUND		
PREVIOUS TO DATE.		
School No. 6 Bonds	\$36,000 00	
Park Bonds, Due 4/1/16.	3,000 00	
School No. 7 Bonds, Due 3/1/17)		
Due 6/1/18).....	27,000 00	
Free Public Library Construction Bonds, Due 3/1/17..	14,000 00	
Outlet Sewer Bonds.....	27,000 00	
Fire Engine House Bonds, Due 10/1/17.....	12,000 00	
Uptown Street Improvement Certificate Bonds, Series		
A, Due 12/1/18.....	68,640 00	
Uptown Street Improvement Certificate Bonds, Series		
B, Due 2/1/19	16,500 00	

Elysian Park Bonds, Due 1/1/25.....	5,140 00
Fire House Bonds, Due 8/1/26)	
Due 8/1/27).....	4,700 00
Funding Bonds, Due 9/1/27.....	4,020 00
Street Repaving Bonds, Due 5/2/28.....	22,000 00
Street Repaving Bonds, Due 10/1/28.....	11,000 00
Uptown Improvement Certificate Bonds, series C & D,	
Due 11/15/31	24,000 00
School House No. 8 Bonds, Due 3/1/34.....	16,800 00
Refunding Judgment Bonds, Due 2/1/35.....	5,200 00
School No. 9 Bonds, Due 1/1/37.....	13,185 00
Extension No. 2 School Bonds, Due 5/1/38.....	450 00
Water Bonds, Due 5/1/38	5,700 00
Funding Bonds, Due 5/1/38.....	1,290 00
School No. 9 Bonds, Due 1/1/39)	
High School Bonds, Due 1/1/39).....	2,210 00
Playground Bonds, Due 5/1/39.....	1,000 00
	<hr/>
	\$320,835 00

	Debit.	Credit
SINKING FUND REQUIREMENTS, 1910-11.		
School No. 6 Bonds, Due 7/1/10.....	\$2,000 00	
Park Bonds, Due 4/1/16.....	1,000 00	
School No. 7 Bonds, Due 3/1/17)		
Due 6/1 18).....	5,000 00	
Public Library Construction Bonds, Due 3/1/17.....	1,000 00	
Outlet Sewer Bonds, Due 3/1/26.....	2,000 00	
Fire Engine House Bonds, Due 10/1/17.....	1,000 00	
Uptown Street Improvement Bonds, Series A,		
Due 12/1/18	6,240 00	
Uptown Street Improvement Bonds, Series B,		
Due 2/1/19	1,500 00	
Elysian Park Bonds, Due 1/1/25.....	1,285 00	
Fire House No. 6 Bonds, Due 8/1/26)		
Due 8/1/27).....	1,900 00	
Funding Bonds, Due 9/1/27.....	2,010 00	
Street Repair Bonds, Due 5/2/28.....	2,000 00	
Street Repair Bonds, Due 10/1/28.....	1,000 00	
Uptown Street Improvement Bonds, Series C & D,		
Due 11/15/31	3,000 00	
School House No. 8 Bonds, Due 3/1/34.....	2,800 00	
Refunding Judgment Bonds, Due 2/1/35.....	1,040 00	
School No 9 Bonds, Due 1/1/37.....	4,395 00	
Extension School No. 2 Bonds, Due 5/1/38.....	450 00	
Water Bonds, Due 5/1/38.....	2,850 00	
Funding Bonds, Due 5/1/38.....	645 00	
School No. 9 Bonds, Due 1/1/39)		
High School Bonds, Due 1/1/39).....	2,210 00	

Playground Bonds, Due 5/1/39.....	1,000 00
Repaving Streets Bonds, Due 7/1/39.....	3,125 00
Water Bonds, Laying Mains, Due 7/1/39.....	660 00
Cleaning and Repairing Sewers. Bonds, Due 11/25/10..	3,500 00
Temporary Loan Bond—Hudson Fulton, Due 11/25/10..	5,000 00
Temporary Loan Bond—Water, 30" Main, Due 11/25/10	4,217 83
Temporary Loan Bond—Removing Ashes, Due 11/25/10	3,495 00
Police Department Bonds, Sub-station, Due 11/1/12....	2,400 00
No. 2 Engine House Bonds, Due 3/1/24.....	1,000 00
	<hr/>
	\$69,722 83

	Debit.	Credit.
SINKING FUND REQUIREMENTS, 1911-12.		
Park Bonds, Due 4/1/16.....	\$1,000 00	
School No. 7 Bonds, Due 3/1/17)		
Due 6/1 18).....	5,000 00	
Public Library Construction Bonds, Due 3/1/17.....	1,000 00	
Outlet Sewer Bonds, Due 3/1/26.....	2,000 00	
Fire Engine House Bonds, Due 10/1/17.....	1,000 00	
Uptown Street Improvement Bonds, Series A,		
Due 12/1/18	6,240 00	
Uptown Street Improvement Bonds, Series B,		
Due 2/1/19	1,500 00	
Elysian Park Bonds, Due 1/1/25.....	1,285 00	
Fire House No. 6 Bonds, Due 8/1/26)		
Due 8/1/27).....	1,900 00	
Funding Bonds, Due 9/1/27.....	2,010 00	
Street Repair Bonds, Due 5/2/28.....	2,000 00	
Street Repair Bonds, Due 10/1/28.....	1,000 00	
Uptown Street Improvement Bonds, Series C & D,		
Due 11/15/31	3,000 00	
School House No 8 Bonds, Due 3/1/34.....	2,800 00	
Refunding Judgment Bonds, Due 2/1/35.....	1,040 00	
School No 9 Bonds, Due 1/1/37.....	4,395 00	
Extension School No. 2 Bonds, Due 5/1/38.....	450 00	
Water Bonds, Due 5/1/38.....	2,850 00	
Funding Bonds, Due 5/1/38.....	645 00	
School No. 9 Bonds, Due 1/1/39)		
High School Bonds, Due 1/1/39).....	2,210 00	
Playground Bonds, Due 5/1/39.....	1,000 00	
Repaving Streets Bonds, Due 7/1/39.....	3,125 00	
Water Bonds, Laying Mains, Due 7/1/39.....	660 00	
Cleaning and Repairing Sewers, Bonds, Due 11/25/11..	3,500 00	
Police Department Bonds, Sub-station, Due 11/1/12....	2,400 00	
No. 2 Engine House Bonds, Due 3/1/24.....	1,000 00	
	<hr/>	
	\$55,010 00	

	Debit.	Credit.
SINKING FUND REQUIREMENTS, 1912-13.		
Park Bonds, Due 4/1/16.....	\$1,000 00	
School No. 7 Bonds, Due 3/1/17)		
Due 6/1 18).....	5,000 00	
Public Library Construction Bonds, Due 3/1/17.....	1,000 00	
Outlet Sewer Bonds, Due 3/1/26.....	2,000 00	
Fire Engine House Bonds, Due 10/1/17.....	1,000 00	
Uptown Street Improvement Bonds, Series A.		
Due 12/1/18	6,240 00	
Uptown Street Improvement Bonds, Series B,		
Due 2/1/19	1,500 00	
Elysian Park Bonds, Due 1/1/25.....	1,285 00	
Fire House No. 6 Bonds, Due 8/1/26)		
Due 8/1/27).....	1,900 00	
Funding Bonds, Due 9/1/27.....	2,010 00	
Street Repair Bonds, Due 5/2/28.....	2,000 00	
Street Repair Bonds, Due 10/1/28.....	1,000 00	
Uptown Street Improvement Bonds, Series C & D,		
Due 11/15/31	3,000 00	
Refunding Judgment Bonds, Due 2/1/35.....	1,040 00	
School House No. 8 Bonds, Due 3/1/34..	2,800 00	
School No 9 Bonds, Due 1/1/37.....	4,395 00	
Extension School No. 2 Bonds Due 5/1/38.....	450 00	
Water Bonds, Due 5/1/38.....	2,850 00	
Funding Bonds, Due 5/1/38.....	645 00	
School No. 9 Bonds, Due 1/1/39)		
High School Bonds, Due 1/1/39).....	2,210 00	
Playground Bonds, Due 5/1/39.....	1,000 00	
Repaving Streets Bonds, Due 7/1/39.....	3,125 00	
Water Bonds, Laying Mains, Due 7/1/39.....	660 00	
Cleaning and Repairing Sewers Bonds, due 1/25/12....	3,500 00	
Police Department Bonds, Sub-station, Due 11/1/12....	2,400 00	
No. 2 Engine House Bonds, Due 3/1/24.....	1,000 00	
	<hr/> \$55,010 00	

	Debit.	Credit.
SINKING FUND REQUIREMENTS, 1913-14.		
Park Bonds, Due 4/1/16.....	\$1,000 00	
School No. 7 Bonds, Due 3/1/17)		
Due 6/1 18).....	5,000 00	
Public Library Construction Bonds, Due 3/1/17.....	1,000 00	
Outlet Sewer Bonds, Due 3/1/26.....	2,000 00	
Fire Engine House Bonds, Due 10/1/17.....	1,000 00	
Uptown Street Improvement Bonds, Series A,		
Due 12/1/18	6,240 00	
Uptown Street Improvement Bonds, Series B,		
Due 2/1/19	1,500 00	

Elysian Park Bonds, Due 1/1/25.....	1,285 00
Fire House No. 6 Bonds, Due 8/1/26)	
Due 8/1/27).....	1,900 00
Funding Bonds, Due 9/1/27.....	2,010 00
Street Repair Bonds, Due 5/2/28.....	2,000 00
Street Repair Bonds, Due 10/1/28.....	1,000 00
Uptown Street Improvement Bonds, Series C & D.	
Due 11/15/31	3,000 00
School House No. 8 Bonds, Due 3/1/34.....	2,800 00
Refunding Judgment Bonds, Due 2/1/35.....	1,040 00
School No 9 Bonds, Due 1/1/37.....	4,395 00
Extension School No. 2 Bonds, Due 5/1/38.....	450 00
Water Bonds, Due 5/1/38.....	2,850 00
Funding Bonds, Due 5/1/38.....	645 00
School No. 9 Bonds, Due 1/1/39)	
High School Bonds, Due 1/1/39).....	2,210 00
Playground Bonds, Due 5/1/39.....	1,000 00
Repaving Streets Bonds, Due 7/1/39.....	3,125 00
Water Bonds, Laying Mairs, Due 7/1/39.....	660 00
Cleaning and Repairing Sewers Bonds, due 1/25/12....	3,500 00
No. 2 Engine House Bonds, Due 3/1/24.....	1,000 00
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	\$52,610 00

SINKING FUND REQUIREMENTS, 1914-15.		Debit.	Credit.
Park Bonds, Due 4/1/16.....		\$1,000 00	
School No. 7 Bonds, Due 3/1/17)			
Due 6/1 18).....		5,000 00	
Public Library Construction Bonds, Due 3/1/17.....		1,000 00	
Outlet Sewer Bonds, Due 3/1/26.....		2,000 00	
Fire Engine House Bonds, Due 10/1/17.....		1,000 00	
Uptown Street Improvement Bonds, Series A,			
Due 12/1/18		6,240 00	
Uptown Street Improvement Bonds, Series B,			
Due 2/1/19		1,500 00	
Elysian Park Bonds, Due 1/1/25.....		1,285 00	
Fire House No. 6 Bonds, Due 8/1/26)			
Due 8/1/27).....		1,900 00	
Funding Bonds, Due 9/1/27.....		2,010 00	
Street Repair Bonds, Due 5/2/28.....		2,000 00	
Street Repair Bonds, Due 10/1/28.....		1,000 00	
Uptown Street Improvement Bonds, Series C & D,			
Due 11/15/31		3,000 00	
School House No. 8 Bonds, Due 3/1/34.....		2,800 00	
Refunding Judgment Bonds, Due 2/1/35.....		1,040 00	
School No 9 Bonds, Due 1/1/37.....		4,395 00	
Extension School No. 2 Bonds, Due 5/1/38.....		450 00	
Water Bonds, Due 5/1/38.....		2,850 00	

Funding Bonds, Due 5/1/8.....	645 00
School No. 9 Bonds, Due 1/1/39)	
High School Bonds, Due 1/1/39).....	2,210 00
Playground Bonds, Due 5/1/39.....	1,000 00
Repaving Streets Bonds, Due 7/1/39.....	3,125 00
Water Bonds, Laying Mains, Due 7/1/39.....	660 00
No. 2 Engine House Bonds, Due 3/1/24.....	1,000 00
	<hr/>
	\$49,110 00

	Debit.	Credit.
SINKING FUND REQUIREMENTS, 1915-16.		
Park Bonds, Due 4/1/16.....	\$1,000 00	
School No. 7 Bonds, Due 3/1/17)		
Due 6/1 18).....	5,000 00	
Public Library Construction Bonds, Due 3/1/17.....	1,000 00	
Outlet Sewer Bonds, Due 3/1/26.....	2,000 00	
Fire Engine House Bonds, Due 10/1/17.....	1,000 00	
Uptown Street Improvement Bonds, Series A,		
Due 12/1/18	6,240 00	
Uptown Street Improvement Bonds, Series B,		
Due 2/1/19	1,500 00	
Elysian Park Bonds, Due 1/1/25.....	1,285 00	
Fire House No. 6 Bonds, Due 8/1/26)		
Due 8/1/27).....	1,900 00	
Funding Bonds, Due 9/1/27.....	2,010 00	
Street Repair Bonds, Due 5/2/28.....	2,000 00	
Street Repair Bonds, Due 10/1/28.....	1,000 00	
Uptown Street Improvement Bonds, Series C & D,		
Due 11/15/31	3,000 00	
School House No. 8 Bonds, Due 3/1/34.....	2,800 00	
Refunding Judgment Bonds, Due 2/1/35.....	1,040 00	
School No 9 Bonds, Due 1/1/37.....	4,395 00	
Extension School No. 2 Bonds, Due 5/1/38.....	450 00	
Water Bonds, Due 5/1/38.....	2,850 00	
Funding Bonds, Due 5/1/38.....	645 00	
School No. 9 Bonds, Due 1/1/39)		
High School Bonds, Due 1/1/39).....	2,210 00	
Playground Bonds, Due 5/1/39.....	1,000 00	
Repaving Streets Bonds, Due 7/1/39.....	3,125 00	
Water Bonds, Laying Mains, Due 7/1/39.....	660 00	
No. 2 Engine House Bonds, Due 3/1/24.....	1,000 00	
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	49,110 00	

SINKING FUND REQUIREMENTS, 1916-17.		Debit.	Credit.
School No. 7 Bonds, Due 3/1/17)			
Due 6/1 18).....	\$5,000 00		
Public Library Construction Bonds, Due 3/1/17.....	1,000 00		
Outlet Sewer Bonds, Due 3/1/26.....	2,000 00		
Fire Engine House Bonds, Due 10/1/17.....	1,000 00		
Uptown Street Improvement Bonds, Series A,			
Due 12/1/18	6,240 00		
Uptown Street Improvement Bonds, Series B,			
Due 2/1/19	1,500 00		
Elysian Park Bonds, Due 1/1/25.....	1,285 00		
Fire House No. 6 Bonds, Due 8/1/26)			
Due 8/1/27).....	1,900 00		
Funding Bonds, Due 9/1/27.....	2,010 00		
Street Repair Bonds, Due 5/2/28.....	2,000 00		
Street Repair Bonds, Due 10/1/28.....	1,000 00		
Uptown Street Improvement Bonds, Series C & D,			
Due 11/15/31	3,000 00		
School House No. 8 Bonds, Due 3/1/34.....	2,800 00		
Refunding Judgment Bonds, Due 2/1/35.....	1,040 00		
School No 9 Bonds, Due 1/1/37.....	4,395 00		
Extension School No. 2 Bonds, Due 5/1/38.....	450 00		
Water Bonds, Due 5/1/38.....	2,850 00		
Funding Bonds, Due 5/1/38.....	645 00		
School No. 9 Bonds, Due 1/1/39)			
High School Bonds, Due 1/1/39).....	2,210 00		
Playground Bonds, Due 5/1/39.....	1,000 00		
Repaving Streets Bonds, Due 7/1/39.....	3,125 00		
Water Bonds, Laying Mains, Due 7/1/39.....	660 00		
No. 2 Engine House Bonds, Due 3/1/24.....	1,000 00		
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	\$48,110 00		

SINKING FUND REQUIREMENTS, 1917-18.		Debit.	Credit.
School No. 7 Bonds, Due 3/1/17)			
Due 6/1/18).....	\$5,000 00		
Outlet Sewer Bonds, Due 3/1/26.....	2,000 00		
Fire Engine House Bonds, Due 10/1/17.....	1,000 00		
Uptown Street Improvement Bonds, Series A,			
Due 12/1/18	6,240 00		
Uptown Street Improvement Bonds, Series B,			
Due 2/1/19	1,500 00		
Elysian Park Bonds, Due 1/1/25.....	1,285 00		
Fire House No. 6 Bonds, Due 8/1/26)			
Due 8/1/27).....	1,900 00		
Funding Bonds, Due 9/1/27.....	2,010 00		
Street Repair Bonds, Due 5/2/28.....	2,000 00		

Street Repair Bonds, Due 10/1/28.....	1,000 00
Uptown Street Improvement Bonds, Series C & D, Due 11/15/31	3,000 00
School House No. 8 Bonds, Due 3/1/34.....	2,800 00
Refunding Judgment Bonds, Due 2/1/35.....	1,040 00
School No 9 Bonds, Due 1/1/37.....	4,395 00
Extension School No. 2 Bonds, Due 5/1/38.....	450 00
Water Bonds, Due 5/1/38.....	2,850 00
Funding Bonds, Due 5/1/38.....	645 00
School No. 9 Bonds, Due 1/1/39)	
High School Bonds, Due 1/1/39)	2,210 00
Playground Bonds, Due 5/1/39.....	1,000 00
Repaving Streets Bonds, Due 7/1/39.....	3,125 00
Water Bonds, Laying Mains, Due 7/1/39.....	660 00
No. 2 Engine House Bonds, Due 3/1/24.....	1,000 00
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	\$47,110 00

	Debit.	Credit.
SINKING FUND REQUIREMENTS, 1918-19.		
Outlet Sewer Bonds, Due 3/1/26.....	\$2,000 00	
Uptown Street Improvement Bonds, Series A. Due 12/1/18	6,240 00	
Uptown Street Improvement Bonds, Series B, Due 2/1/19	1,500 00	
Elysian Park Bonds, Due 1/1/25.....	1,285 00	
Fire House No. 6 Bonds, Due 8/1/26) Due 8/1/27).....	1,900 00	
Funding Bonds, Due 9/1/27.....	2,010 00	
Street Repair Bonds, Due 5/2/28.....	2,000 00	
Street Repair Bonds, Due 10/1/28.....	1,000 00	
Uptown Street Improvement Bonds, Series C & D, Due 11/15/31	3,000 00	
School House No. 8 Bonds, Due 3/1/34.....	2,800 00	
Refunding Judgment Bonds, Due 2/1/35.....	1,040 00	
School No 9 Bonds, Due 1/1/37.....	4,395 00	
Extension School No. 2 Bonds, Due 5/1/38.....	450 00	
Water Bonds, Due 5/1/38.....	2,850 00	
Funding Bonds, Due 5/1/38.....	645 00	
School No. 9 Bonds, Due 1/1/39)		
High School Bonds, Due 1/1/39)	2,210 00	
Playground Bonds, Due 5/1/39.....	1,000 00	
Repaving Streets Bonds, Due 7/1/39.....	3,125 00	
Water Bonds, Laying Mains, Due 7/1/39.....	660 00	
No. 2 Engine House Bonds, Due 3/1/24.....	1,000 00	
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	\$41,110 00	

SINKING FUND REQUIREMENTS, 1919-20.		Debit.	Credit.
Outlet Sewer Bonds, Due 3/1/26.....		\$2,000 00	
Elysian Park Bonds, Due 1/1/25.....		1,285 00	
Fire House No. 6 Bonds, Due 8/1/26)			
Due 8/1/27).....		1,900 00	
Funding Bonds, Due 9/1/27.....		2,010 00	
Street Repair Bonds, Due 5/2/28.....		2,000 00	
Street Repair Bonds, Due 10/1/28.....		1,000 00	
Uptown Street Improvement Bonds, Series C & D,			
Due 11/15/31		3,000 00	
School House No. 8 Bonds, Due 3/1/34.....		2,800 00	
Refunding Judgment Bonds, Due 2/1/35.....		1,040 00	
School No 9 Bonds, Due 1/1/37.....		4,395 00	
Extension School No. 2 Bonds, Due 5/1/38.....		450 00	
Water Bonds, Due 5/1/38.....		2,850 00	
Funding Bonds, Due 5/1/38.....		645 00	
School No. 9 Bonds, Due 1/1/39)			
High School Bonds, Due 1/1/39).....		2,210 00	
Playground Bonds, Due 5/1/39.....		1,000 00	
Repaving Streets Bonds, Due 7/1/39.....		3,125 00	
Water Bonds, Laying Mains, Due 7/1/39.....		660 00	
No. 2 Engine House Bonds, Due 3/1/24.....		1,000 00	
		<hr/> \$33,370 00	

SINKING FUND REQUIREMENTS, 1920-21.		Debit.	Credit.
Outlet Sewer Bonds, Due 3/1/26.....		\$2,000 00	
Elysian Park Bonds, Due 1/1/25.....		1,285 00	
Fire House No. 6 Bonds, Due 8/1/26)			
Due 8/1/27).....		1,900 00	
Funding Bonds, Due 9/1/27.....		2,010 00	
Street Repair Bonds, Due 5/2/28.....		2,000 00	
Street Repair Bonds, Due 10/1/28.....		1,000 00	
Uptown Street Improvement Bonds, Series C & D,			
Due 11/15/31		3,000 00	
School House No. 8 Bonds, Due 3/1/34.....		2,800 00	
Refunding Judgment Bonds, Due 2/1/35.....		1,040 00	
School No 9 Bonds, Due 1/1/37.....		4,395 00	
Extension School No. 2 Bonds, Due 5/1/38.....		450 00	
Water Bonds, Due 5/1/38.....		2,850 00	
Funding Bonds, Due 5/1/38.....		645 00	
School No. 9 Bonds, Due 1/1/39)			
High School Bonds, Due 1/1/39).....		2,210 00	
Playground Bonds, Due 5/1/39.....		1,000 00	
Repaving Streets Bonds, Due 7/1/39.....		3,125 00	
Water Bonds, Laying Mains, Due 7/1/39.....		660 00	
No. 2 Engine House Bonds, Due 3/1/24.....		1,000 00	
		<hr/> \$33,370 00	

SINKING FUND REQUIREMENTS, 1921-22.		Debit.	Credit.
Outlet Sewer Bonds, Due 3/1/26.....		\$2,000 00	
Elysian Park Bonds, Due 1/1/25.....		1,285 00	
Fire House No. 6 Bonds, Due 8/1/26)			
Due 8/1/27).....		1,900 00	
Funding Bonds, Due 9/1/27.....		2,010 00	
Street Repair Bonds, Due 5/2/28.....		2,000 00	
Street Repair Bonds, Due 10/1/28.....		1,000 00	
Uptown Street Improvement Bonds, Series C & D,			
Due 11/15/31		3,000 00	
School House No. 8 Bonds, Due 3/1/34.....		2,800 00	
Refunding Judgment Bonds, Due 2/1/35.....		1,040 00	
School No 9 Bonds, Due 1/1/37.....		4,395 00	
Extension School No. 2 Bonds, Due 5/1/38.....		450 00	
Water Bonds, Due 5/1/38.....		2,850 00	
Funding Bonds, Due 5/1/38.....		645 00	
School No. 9 Bonds, Due 1/1/39)			
High School Bonds, Due 1/1/39).....		2,210 00	
Playground Bonds, Due 5/1/39.....		1,000 00	
Repaving Streets Bonds, Due 7/1/39.....		3,125 00	
Water Bonds, Laying Mains, Due 7/1/39.....		660 00	
No. 2 Engine House Bonds, Due 3/1/24.....		1,000 00	
		<hr/>	
		\$33,370 00	

SINKING FUND REQUIREMENTS, 1922-23.		Debit.	Credit.
Outlet Sewer Bonds, Due 3/1/26.....		\$2,000 00	
Elysian Park Bonds, Due 1/1/25.....		1,285 00	
Fire House No. 6 Bonds, Due 8/1/26)			
Due 8/1/27).....		1,900 00	
Funding Bonds, Due 9/1/27.....		2,010 00	
Street Repair Bonds, Due 5/2/28.....		2,000 00	
Street Repair Bonds, Due 10/1/28.....		1,000 00	
Uptown Street Improvement Bonds, Series C & D,			
Due 11/15/31		3,000 00	
School House No. 8 Bonds, Due 3/1/34.....		2,800 00	
Refunding Judgment Bonds, Due 2/1/35.....		1,040 00	
School No 9 Bonds, Due 1/1/37.....		4,395 00	
Extension School No. 2 Bonds, Due 5/1/38.....		450 00	
Water Bonds, Due 5/1/38.....		2,850 00	
Funding Bonds, Due 5/1/38.....		645 00	
School No. 9 Bonds, Due 1/1/39)			
High School Bonds, Due 1/1/39).....		2,210 00	
Playground Bonds, Due 5/1/39.....		1,000 00	
Repaving Streets Bonds, Due 7/1/39.....		3,125 00	
Water Bonds, Laying Mains, Due 7/1/39.....		660 00	
No. 2 Engine House Bonds, Due 3/1/24.....		1,000 00	
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		\$33,370 00	

SINKING FUND REQUIREMENTS, 1923-24.		Debit.	Credit.
Outlet Sewer Bonds, Due 3/1/26.....		\$2,000 00	
Elysian Park Bonds, Due 1/1/25.....		1,285 00	
Fire House No. 6 Bonds, Due 8/1/26)			
Due 8/1/27).....		1,900 00	
Funding Bonds, Due 9/1/27.....		2,010 00	
Street Repair Bonds, Due 5/2/28.....		2,000 00	
Street Repair Bonds, Due 10/1/28.....		1,000 00	
Uptown Street Improvement Bonds, Series C & D,			
Due 11/15/31		3,000 00	
School House No. 8 Bonds, Due 3/1/34.....		2,800 00	
Refunding Judgment Bonds, Due 2/1/35.....		1,040 00	
School No 9 Bonds, Due 1/1/37.....		4,395 00	
Extension School No. 2 Bonds, Due 5/1/38.....		450 00	
Water Bonds, Due 5/1/38.....		2,850 00	
Funding Bonds, Due 5/1/38.....		645 00	
School No. 9 Bonds, Due 1/1/39)			
High School Bonds, Due 1/1/39).....		2,210 00	
Playground Bonds, Due 5/1/39.....		1,000 00	
Repaving Streets Bonds, Due 7/1/39.....		3,125 00	
Water Bonds, Laying Mains, Due 7/1/39.....		660 00	
No. 2 Engine House Bonds, Due 3/1/24.....		1,000 00	
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		\$33,370 00	

SINKING FUND REQUIREMENTS, 1924-25.		Debit.	Credit.
Outlet Sewer Bonds, Due 3/1/26.....		\$2,000 00	
Elysian Park Bonds, Due 1/1/25.....		1,285 00	
Fire House No. 6 Bonds, Due 8/1/26)			
Due 8/1/27).....		1,900 00	
Funding Bonds, Due 9/1/27.....		2,010 00	
Street Repair Bonds, Due 5/2/28.....		2,000 00	
Street Repair Bonds, Due 10/1/28.....		1,000 00	
Uptown Street Improvement Bonds, Series C & D,			
Due 11/15/31		3,000 00	
School House No. 8 Bonds, Due 3/1/34.....		2,800 00	
Refunding Judgment Bonds, Due 2/1/35.....		1,040 00	
School No 9 Bonds, Due 1/1/37.....		4,395 00	
Extension School No. 2 Bonds, Due 5/1/38.....		450 00	
Water Bonds, Due 5/1/38.....		2,850 00	
Funding Bonds, Due 5/1/38.....		645 00	
School No. 9 Bonds, Due 1/1/39)			
High School Bonds, Due 1/1/39).....		2,210 00	
Playground Bonds, Due 5/1/39.....		1,000 00	
Repaving Streets Bonds, Due 7/1/39.....		3,125 00	
Water Bonds, Laying Mains, Due 7/1/39.....		660 00	
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		\$32,370 00	

SINKING FUND REQUIREMENTS, 1925-26.		Debit.	Credit.
Outlet Sewer Bonds, Due 3/1/26.....		\$2,000 00	
Fire House No. 6 Bonds, Due 8/1/26)			
Due 8/1/27).....		1,900 00	
Funding Bonds, Due 9/1/27.....		2,010 00	
Street Repair Bonds, Due 5/2/28.....		2,000 00	
Street Repair Bonds, Due 10/1/28.....		1,000 00	
Uptown Street Improvement Bonds, Series C & D,			
Due 11/15/31		3,000 00	
School House No. 8 Bonds, Due 3/1/34.....		2,800 00	
Refunding Judgment Bonds, Due 2/1/35.....		1,040 00	
School No 9 Bonds, Due 1/1/37.....		4,395 00	
Extension School No. 2 Bonds, Due 5/1/38.....		450 00	
Water Bonds, Due 5/1/38.....		2,850 00	
Funding Bonds, Due 5/1/38.....		645 00	
School No. 9 Bonds, Due 1/1/39)			
High School Bonds, Due 1/1/39).....		2,210 00	
Playground Bonds, Due 5/1/39.....		1,000 00	
Repaving Streets Bonds, Due 7/1/39.....		3,125 00	
Water Bonds, Laying Mains, Due 7/1/39.....		660 00	
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		\$31,085 00	

SINKING FUND REQUIREMENTS, 1926-27.		Debit.	Credit.
Fire House No. 6 Bonds, Due 8/1/26)			
Due 8/1/27).....		\$1,900 00	
Funding Bonds, Due 9/1/27.....		2,010 00	
Street Repair Bonds, Due 5/2/28.....		2,000 00	
Street Repair Bonds, Due 10/1/28.....		1,000 00	
Uptown Street Improvement Bonds, Series C & D,			
Due 11/15/31		3,000 00	
School House No. 8 Bonds, Due 3/1/34.....		2,800 00	
Refunding Judgment Bonds, Due 2/1/35.....		1,040 00	
School No 9 Bonds, Due 1/1/37.....		4,395 00	
Extension School No. 2 Bonds, Due 5/1/38.....		450 00	
Water Bonds, Due 5/1/38.....		2,850 00	
Funding Bonds, Due 5/1/38.....		645 00	
School No. 9 Bonds, Due 1/1/39)			
High School Bonds, Due 1/1/39).....		2,210 00	
Playground Bonds, Due 5/1/39.....		1,000 00	
Repaving Streets Bonds, Due 7/1/39.....		3,125 00	
Water Bonds, Laying Mains, Due 7/1/39.....		660 00	
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		\$29,085 00	

SINKING FUND REQUIREMENTS, 1927-28.		Debit.	Credit.
Fire House No. 6 Bonds, Due 8/1/26)			
	Due 8/1/27).....	\$1,900 00	
Funding Bonds, Due 9/1/27.....		2,010 00	
Street Repair Bonds, Due 5/2/28.....		2,000 00	
Street Repair Bonds, Due 10/1/28.....		1,000 00	
Uptown Street Improvement Bonds, Series C & D,			
	Due 11/15/31	3,000 00	
School House No. 8 Bonds, Due 3/1/34.....		2,800 00	
Refunding Judgment Bonds, Due 2/1/35.....		1,040 00	
School No 9 Bonds, Due 1/1/37.....		4,395 00	
Extension School No. 2 Bonds, Due 5/1/38.....		450 00	
Water Bonds, Due 5/1/38.....		2,850 00	
Funding Bonds, Due 5/1/38.....		645 00	
School No. 9 Bonds, Due 1/1/39)			
	High School Bonds, Due 1/1/39)	2,210 00	
Playground Bonds, Due 5/1/39.....		1,000 00	
Repaving Streets Bonds, Due 7/1/39.....		3,125 00	
Water Bonds, Laying Mains, Due 7/1/39.....		660 00	
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		\$29,085 00	

SINKING FUND REQUIREMENTS, 1928-29.		Debit.	Credit.
Uptown Street Improvement Bonds, Series C & D,			
	Due 11/15/31	3,000 00	
School House No. 8 Bonds, Due 3/1/34.....		2,800 00	
Refunding Judgment Bonds, Due 2/1/35.....		1,040 00	
School No 9 Bonds, Due 1/1/37.....		4,395 00	
Extension School No. 2 Bonds, Due 5/1/38.....		450 00	
Water Bonds, Due 5/1/38.....		2,850 00	
Funding Bonds, Due 5/1/38.....		645 00	
School No. 9 Bonds, Due 1/1/39)			
	High School Bonds, Due 1/1/39)	2,210 00	
Street Repair Bonds, Due 10/1/28.....		1,000 00	
Playground Bonds, Due 5/1/39.....		1,000 00	
Repaving Streets Bonds, Due 7/1/39.....		3,125 00	
Water Bonds, Laying Mains, Due 7/1/39.....		660 00	
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		\$23,175 00	

SINKING FUND REQUIREMENTS, 1929-30.		Debit.	Credit.
Uptown Street Improvement Bonds, Series C & D,			
	Due 11/15/31	\$3,000 00	
School House No. 8 Bonds, Due 3/1/34.....		2,800 00	
Refunding Judgment Bonds, Due 2/1/35.....		1,040 00	

School No 9 Bonds, Due 1/1/37.....	4,395 00
Extension School No. 2 Bonds, Due 5/1/38.....	450 00
Water Bonds, Due 5/1/38.....	2,850 00
Funding Bonds, Due 5/1/38.....	645 00
School No. 9 Bonds, Due 1/1/39)	
High School Bonds, Due 1/1/39).....	2,210 00
Playground Bonds, Due 5/1/39.....	1,000 00
Repaving Streets Bonds, Due 7/1/39.....	3,125 00
Water Bonds, Laying Mains, Due 7/1/39.....	660 00
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	\$22,175 00

SINKING FUND REQUIREMENTS, 1930-31.

Debit.

Credit.

Uptown Street Improvement Bonds, Series C & D.

Due 11/15/31	\$3,000 00
School House No. 8 Bonds, Due 3/1/34.....	2,800 00
Refunding Judgment Bonds, Due 2/1/35.....	1,040 00
School No 9 Bonds, Due 1/1/37.....	4,395 00
Extension School No. 2 Bonds, Due 5/1/38.....	450 00
Water Bonds, Due 5/1/38.....	2,850 00
Funding Bonds, Due 5/1/38.....	645 00
School No. 9 Bonds, Due 1/1/39)	
High School Bonds, Due 1/1/39).....	2,210 00
Playground Bonds, Due 5/1/39.....	1,000 00
Repaving Streets Bonds, Due 7/1/39.....	3,125 00
Water Bonds, Laying Mains, Due 7/1/39.....	660 00
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	\$22,175 00

SINKING FUND REQUIREMENTS, 1931-32.

Debit.

Credit.

Uptown Street Improvement Bonds, Series C & D.

Due 11/15/31	\$3,000 00
School House No. 8 Bonds, Due 3/1/34.....	2,800 00
Refunding Judgment Bonds, Due 2/1/35.....	1,040 00
School No 9 Bonds, Due 1/1/37.....	4,395 00
Extension School No. 2 Bonds, Due 5/1/38.....	450 00
Water Bonds, Due 5/1/38.....	2,850 00
Funding Bonds, Due 5/1/38.....	645 00
School No. 9 Bonds, Due 1/1/39)	
High School Bonds, Due 1/1/39).....	2,210 00
Playground Bonds, Due 5/1/39.....	1,000 00
Repaving Streets Bonds, Due 7/1/39.....	3,125 00
Water Bonds, Laying Mains, Due 7/1/39.....	660 00
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	\$22,175 00

SINKING FUND REQUIREMENTS, 1932-33.	Debit.	Credit.
School House No. 8 Bonds, Due 3/1/30.....	\$2,800 00	
Refunding Judgment Bonds, Due 2/1/35.....	1,040 00	
School No 9 Bonds Due 1/1/37.....	4,395 00	
Extension School No. 2 Bonds, Due 5/1/38.....	450 00	
Water Bonds, Due 5/1/38.....	2,850 00	
Funding Bonds, Due 5/1/38.....	645 00	
School No. 9 Bonds, Due 1/1/39)		
High School Bonds, Due 1/1/39).....	2,210 00	
Playground Bonds, Due 5/1/39.....	1,000 00	
Repaving Streets Bonds, Due 7/1/39.....	3,125 00	
Water Bonds, Laying Mains, Due 7/1/39.....	660 00	
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	\$19,175 00	

SINKING FUND REQUIREMENTS, 1933-34.	Debit.	Credit.
School House No. 8 Bonds, Due 3/1/34.....	\$2,800 00	
Refunding Judgment Bonds, Due 2/1/35.....	1,040 00	
School No 9 Bonds, Due 1/1/37.....	4,395 00	
Extension School No. 2 Bonds, Due 5/1/38.....	450 00	
Water Bonds, Due 5/1/38.....	2,850 00	
Funding Bonds, Due 5/1/38.....	645 00	
School No. 9 Bonds, Due 1/1/39)		
High School Bonds, Due 1/1/39).....	2,210 00	
Playground Bonds, Due 5/1/39.....	1,000 00	
Repaving Streets Bonds, Due 7/1/39.....	3,125 00	
Water Bonds, Laying Mains, Due 7/1/39.....	660 00	
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	\$19,175 00	

SINKING FUND REQUIREMENTS, 1934-35.	Debit.	Credit.
Refunding Judgment Bonds, Due 2/1/35.....	\$1,040 00	
School No 9 Bonds, Due 1/1/37.....	4,395 00	
Extension School No. 2 Bonds, Due 5/1/38.....	450 00	
Water Bonds, Due 5/1/38.....	2,850 00	
Funding Bonds, Due 5/1/38.....	645 00	
School No. 9 Bonds, Due 1/1/39)		
High School Bonds, Due 1/1/39).....	2,210 00	
Playground Bonds, Due 5/1/39.....	1,000 00	
Repaving Streets Bonds, Due 7/1/39.....	3,125 00	
Water Bonds, Laying Mains, Due 7/1/39.....	660 00	
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	\$16,375 00	

SINKING FUND REQUIREMENTS, 1935-36

	Debit.	Credit.
School No. 9 Bonds, Due 1/1/37.....	\$4,395 00	
Extension School No. 2 Bonds, Due 5/1/38.....	450 00	
Water Bonds, Due 5/1/38.....	2,850 00	
Funding Bonds, Due 5/1/38.....	645 00	
School No. 9 Bonds, Due 1/1/39)		
High School Bonds, Due 1/1/39).....	2,210 00	
Playground Bonds, Due 5/1/39.....	1,000 00	
Repaving Streets Bonds, Due 7/1/39.....	3,125 00	
Water Bonds, Laying Mains, Due 7/1/39.....	660 00	
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	\$15,335 00	

SINKING FUND REQUIREMENTS, 1936-37.

	Debit.	Credit.
School No. 9 Bonds, Due 1/1/37.....	\$4,395 00	
Extension School No. 2 Bonds, Due 5/1/38.....	450 00	
Water Bonds, Due 5/1/38.....	2,850 00	
Funding Bonds, Due 5/1/38.....	645 00	
School No. 9 Bonds, Due 1/1/39)		
High School Bonds, Due 1/1/39).....	2,210 00	
Playground Bonds, Due 5/1/39.....	1,000 00	
Repaving Streets Bonds, Due 7/1/39.....	3,125 00	
Water Bonds, Laying Mains, Due 7/1/39.....	660 00	
	<hr/>	
	\$15,335 00	

SINKING FUND REQUIREMENTS, 1937-38.

	Debit.	Credit.
Extension School No. 2 Bonds, Due 5/1/38.....	\$450 00	
Water Bonds, Due 5/1/38.....	2,850 00	
Funding Bonds, Due 5/1/38.....	645 00	
School No. 9 Bonds, Due 1/1/39)		
High School Bonds, Due 1/1/39).....	2,210 00	
Playground Bonds, Due 5/1/39.....	1,000 00	
Repaving Streets Bonds, Due 7/1/39.....	3,125 00	
Water Bonds, Laying Mains, Due 7/1/39.....	660 00	
	<hr/>	
	\$10,940 00	

SINKING FUND REQUIREMENTS, 1938-39.

	Debit.	Credit.
School No. 9 Bonds, Due 1/1/39)		
High School Bonds, Due 1/1/39).....	\$2,210 00	
Playground Bonds, Due 5/1/39.....	1,000 00	
Repaving Streets Bonds, Due 7/1/39.....	3,125 00	
Water Bonds, Laying Mains, Due 7/1/39.....	660 00	
	<hr/>	
	\$6,995 00	

	Debit.	Credit.
SINKING FUND REQUIREMENTS, 1939-40.		
Repaving Streets Bonds, Due 7/1/39.....	\$3,125 00	
Water Bonds, Laying Mains, Due 7/1/39.....	660 00	
	<hr/>	
	\$3,785 00	

	Debit.	Credit.
UNEARNED INTEREST—SINKING FUNDS.		
On School No. 6 (also installments not before provided), Due July 1, 1910	\$62,000 00	
Park Bonds, Due 4/1/16	1,000 00	
School No. 7 Bonds, Due 3/1/17.....		
School No. 7 Bonds, Due 6/1/18.....	36,000 00	
Free Public Library Bonds, Due 3/1/17.....	29,000 00	
Outlet Sewer Bonds, Due 3/1/26.....	41,000 00	
Fire Engine House Bonds, Due 10/1/17.....	5,000 00	
Uptown Street Improvement Bonds, Series A, Due 12/1/18	187,200 00	
Uptown Street Improvement Bonds, Series B, Due 2/1/19	45,000 00	
Fire House, No. 6 Bonds, Due 8/1/26 Due 8/1/27).....	6,100 00	
Funding Bonds, Due 9/1/27.....	26,800 00	
Street Repairing Bonds, Due 2/2/28.....	92,000 00	
Street Repairing Bonds, Due 10/1/28.....	20,000 00	
Uptown Street Improvement Bonds, Series C & D, Due 11/15/31	106,000 00	
School House No. 8 Bonds, Due 3/1/34.....	56,000 00	
Refunding Judgment Bonds, Due 2/1/35.....	20,800 00	
School No. 9 Bonds, Due 1/1/37.....	87,815 00	
Water Bonds, Due 5/1/39.....	9,500 00	
Funding Bonds, Due 5/1/38.....	2,150 00	
School No. 9 Bonds, Due 1/1/39.....		
High School Bonds, Due 1/1/39).....	44,200 00	
Playground Bonds, Due 5/1/39	20,000 00	
Repaving Street Bonds, Due 7/1/39.....	31,250 00	
Water Bonds, Laying Mains, Due 7/1/39.....	2,200 00	
Police Department, Sub-station Bonds, Due 11/1/12...	16,800 00	
No. 2 Engine House Bonds, Due 3/1/20.....	1,000 00	
	<hr/>	
	\$948,815 00	
Total Sinking Fund Requirements and Unearned Interest	\$2,204,681 83	

BONDED DEBT.

	Credit.
School No. 6 Bonds, Due 7/1/10.....	\$100,000 00
Park Bonds, Due 4/1/16.....	10,000 00
School No. 7 Bonds, Due 3/1/17.....	90,000 00
School No. 7 Bonds, Due 6/1/18.....	13,000 00
Free Public Library, Due 3/1/17.....	50,000 00
Outlet Sewer Bonds, Due 3/1/17.....	10,000 00
Outlet Sewer Bonds, Due 3/1/18.....	10,000 00
Outlet Sewer Bonds, Due 3/1/19.....	10,000 00
Outlet Sewer Bonds, Due 3/1/20.....	10,000 00
Outlet Sewer Bonds, Due 3/1/21.....	10,000 00
Outlet Sewer Bonds, Due 3/1/22.....	10,000 00
Outlet Sewer Bonds, Due 3/1/23.....	10,000 00
Outlet Sewer Bonds, Due 3-1-24.....	10,000 00
Outlet Sewer Bonds, Due 3/1/25.....	10,000 00
Outlet Sewer Bonds, Due 3-1-26.....	10,000 00
Fire Engine House, Due 10/1/17.....	25,000 00
Uptown Street Improvement Bonds, Due 12/1/18.....	312,000 00
Uptown Street Improvement Bonds, Due 2/1/19.....	75,000 00
Elysian Park Bonds, Due 1/1/25.....	12,850 00
Fire House No. 6 Bonds, Due 8/1/26.....	25,000 00
Fire House No. 6 Bonds, Due 8/1/27.....	20,000 00
Funding Bonds, Due 9/1/27.....	67,000 00
Street Repairing Bonds, Due 5/2/28.....	150,000 00
Street Repairing Bonds, Due 10/1/28.....	50,000 00
Uptown Street Improvement Bonds, Series C & D, Due 11/15/31	196,000 00
School House No. 8 Bonds, Due 3/1/34.....	140,000 00
Refunding Judgment Bonds, Due 2/1/35.....	52,000 00
School No. 9 Bonds, Due 1/1/37.....	219,665 00
High School Bonds, Due 1/1/39.....	100,000 00
Playground Bonds, Due 5/1/39.....	50,000 00
Repaving Streets Bonds, Due 7/1/39.....	125,000 00
Cleaning and Repairing Sewers Bonds, Due 11/25/10..	3,500 00
Cleaning and Repairing Sewers Bonds, Due 11/25/11..	3,500 00
Cleaning and Repairing Sewers Bonds, Due 11/25/12..	3,500 00
Cleaning and Repairing Sewers Bonds, Due 11/25/13..	3,500 00
Hudson Fulton Tercentenary Bonds, Due 1910-11.....	5,000 00
Water, 30" Main Bonds, Due 1910-11.....	4,217 83
Removing Ashes Bonds, Due 1910-11.....	3,495 00
Police Department Sub-Station Bonds, Due 1911-12....	24,000 00
No. 2 Engine House Bonds, Due 3/1/24.....	15,000 00
Water Bonds, Laying Mains, Due 7/1/39.....	22,000 00
Extension School House No. 2 Bonds, Due 5/1/38.....	7,454 00
Water Bonds, Due 5/1/38.....	95,000 00
Funding Bonds, Due 5/1/38.....	21,500 00
School No. 9 Bonds, Due 1/1/39.....	10,500 00
Total Bonded Debt.....	\$2,204,681 83

SINKING FUND SURPLUS.

		Credit.
On account of Elysian Park S. F. and Bonds.....		\$11,585 00
On account of Extension School No. 2 Bonds.....		5,596 00
		<hr/> \$17,181 00
Debit.		Credit.
Sinking Fund School No. 8 Cash		Requirement's due Sinking Funds
Account	\$15,575 10	previous to date
		Unearned Interest, School No. 8
		Bonds
		1,575 10

THE COMPTROLLER.

Fundamental and Other Accounts Described.

The duties of the Comptroller as imposed by law makes it necessary for him to keep an absolute check upon the finances of the city.

He is required to keep a double entry set of accounts, to have them at all times in balance, and be able legally to approve or disapprove of a draft upon the cash funds of the city, providing they are not otherwise appropriated, and for other reasons.

In times past, the Comptroller has not been able to assume the authority given him by law, as data was not furnished him, but this has been changed by the new method installed, and he now takes the position in the affairs of the city which by law belongs to him.

The conditions under the former method have been dwelt upon as recorded in our first preliminary report, which is made a part of this final report, so that we need only to refer to the changed condition.

The trial balances of the Comptroller's General Ledger, as at May 2, 1910, has been adjusted with the Treasurer's Ledger as at the same period.

We refer you to the Treasurer's trial balance under the caption "The Treasurer," "Treasurer's Ledger, Trial Balances," for the general outline and value of the accounts, and for purposes of comparison. (See index for the Treasurer's folio reference).

It must be understood that municipal accounts are created wholly by the operation of the law, and no board, officer or individual can assume any control or authority over said accounts not expressly granted by law. Herein municipal accounts differ from commercial accounts.

The duties of the Treasurer require the record of the accounts in one form, and those of the Comptroller in a different form, both being in harmony and capable of being reconciled.

CIRCULARS AND CIRCULAR LETTERS HAVE BEEN FORWARDED TO OFFICERS AND DEPARTMENTS OF THIS CITY REFERRING TO THE MANAGEMENT OF MUNICIPAL AFFAIRS, THE SUBJECT MATTER OF WHICH WE BELIEVE TO BE WRONG CONCLUSIONS ARRIVED AT, AND INCORRECT TEACHING AND METHOD, AND BY REASON OF THIS FACT WE ARE LED TO GO INTO A MORE OR LESS EXTENDED ANALYSIS OF THE METHOD OF ACCOUNTING USED IN ORDER TO CORRECTLY INFORM THOSE INTERESTED OF THE LEGAL METHOD TO BE USED IN THE CONDUCT OF AFFAIRS OF THE CITY.

This wrong method especially applies to the question of the liability of the bonded indebtedness and its contra assets, and we have taken the subject up in an extended manner under "Exhibit B, Sinking Funds—Unearned Interest—Bonds—Surplus Sinking Funds." (See index under Sinking Funds for folio reference.)

This criticism also applies to the fundamental accounts for the current operation of the corporation which are provided through the annual Budget.

The form of entry of these accounts for the tax year 1910-11 is shown in this report under the caption of "The Budget." (See index for folio reference of "The Budget.")

The credit entry of said accounts indicate the amount set aside, and finally approved and appropriated by the financial body of the city for the current operation of each unit and division of each department under the accepted classification of the method installed.

Or in other words, the credit entry represents the **LIABILITY OF THE CITY** to furnish annually to each unit and division of each department the amount set aside and appropriated in the annual Budget.

Therefore the basic liability is on the part of the city to furnish the approved sum appropriated.

Once approved, the financial body cannot change the appropriation, and a given department can contract obligations to the full amount of the appropriation.

The secondary liability, always controlled by law, is on the part of the department, not to contract obligations in excess of appropriated amounts.

The estimate of expenditure is by law determined in advance by the department, but is of absolutely no value until the final approval of the financial body which fixes the said liability of the city to furnish the money.

The contract or debit entry of the fundamental accounts, as shown in this report under the caption of "The Budget," indicates the amount which is to be charged against the ratables of the city, that to be charged against the State, the anticipated collection and transfer of specified moneys, sundry transfers of unexpended balances, etc., or in other words, is the obligation of the ratables to furnish money to run the City Government.

Upon these accounts are based all other accounts.

There can be no profit and loss account in a municipal corporation, for said corporations are never organized for the purpose of gain, but to administer the civil interests of a community of individuals or interests.

Money received in excess of anticipated revenues from licenses, sale of bonds, sale of old property, etc., should be kept in a separate fund, and used to reduce taxes to be raised the following year, unless otherwise distributed by law.

Emergency Items are by law taken care of through succeeding annual Budget operations.

In your city, as you well know, a provision exists, Section 44, of the Charter, to assess a certain definite rate per cent. to be applied to the supply of any deficiency by reason of losses of taxes not collectable, the remainder to be applied as Council shall direct, and will be noted as follows.

It is a surplus revenue used as directed by law, but has been without full record of operation until we made skeleton entries of the same. Section 44 says:

"And be it enacted, that the several assessors shall, in addition to the whole amount of taxes authorized to be laid, assess, to cover losses and expenses, such sum or sums as will cover their own, and the collector's fees, as allowed by law, and five per cent. additional upon the whole sum to be raised, **TO BE APPLIED TO THE SUPPLY OF ANY DEFICIENCY BY REASON OF LOSSES OF TAXES NOT COLLECTABLE**, and to defray the necessary cost of collection, the **SURPLUS**, if any, shall be applied to such purpose as the Council may direct."

The above 5% was amended to 15%, to 10%, to 8%, and at present there is only 4% added annually.

IT CAN BE SEEN THAT THE SURPLUS OF THIS ACCOUNT CAN BE USED FOR

SUCH PURPOSE AS COUNCIL MAY DIRECT, and we have acted under the law, as will be noted further on. Council approved some of the items by resolution, and we will ask to have all approved.

The Comptroller, under the law, is required to approve of all expenditures, and to certify by reason of his said approval, that there is money in the specific fund to pay the liability presented for payment.

It is therefore clearly within the power of the Comptroller to prevent overdrafts of appropriated amounts.

This necessitates the keeping of an account with each appropriated amount.

There can be no PROPER TOTAL OR GENERAL CONTROLLING account covering the appropriated amounts, for each unit and division must come within its own specified amount, and is controlled within itself.

If there was a general controlling account without specific controlling accounts, it would be possible to overdraw one account to the detriment of other accounts, so long as the total of disbursements did not exceed the total of appropriated amounts.

With the fundamental debit and credit accounts entered as above, the current operation of the government can proceed.

There can be no audit of a direct specific charge against the appropriated amount of any unit by the Comptroller until the liability has been properly approved and ordered paid by the financial body, and approved by the Mayor.

Then if the liability is audited and approved by the Comptroller, he countersigns the warrant and charges the specifically appropriated amount with the claim, be it of whatsoever character.

The credit balance of the said appropriated amount is available for use of the unit, division or department.

After approval and charge against the appropriated amount, the claim is passed to the Treasurer for acceptance and entry.

It is the duty of the Comptroller to keep secondary accounts of contractual obligations, assessable improvements and general accounts payable, in order to properly control the available appropriated amounts, but this is not obligatory under the law, for as stated, the law does not recognize a claim until approved and paid. The law provides the appropriated amount necessary, and does not allow an overdraft except in emergencies.

In order to record the opening entries upon the Comptroller's Ledger as at May 2, 1910, it was necessary to determine the warrants approved by the Comptroller, and not as yet accepted by the Treasurer as at that date.

In preparing the trial balance of the Comptroller, we again refer to the trial balance of the Treasurer, under the caption of "The Treasurer," for detail of the debit and credit entries on account of "Certificates of Indebtedness," and beg to use in the trial balance of the Comptroller the total debit entry for said certificates of \$158,680.57, and total credit entry of \$7,998.10.

We also give this detail under the title "The Comptroller," under Accounts closed into Surplus. The trial balance follows:

COMPTROLLER'S TRIAL BALANCE.

As at May 2, 1910.

	Dr. Acct.
Sewer Cleaning and Repairing	\$14,000 00
Interest on Temporary Loans advanced by city.....	4,144 86
Due from License Account, advanced by city.....	15,501 73
Certificates of Indebtedness, Principal and Interest:	
Total paid by Treasurer, and held as an asset.....	158,680 57

New Fire House—Fifth Ward.....	92 40
Arrearage of Taxes Fund.....	1,415 66
Law Books—District Court	42 50
No. 9 School Bonds Issue—Amount paid for advertisement should have been paid from premium.....	256 25
Redemption of City Bonds.....	2,572 94
Engine House, Hudson Street.....	6,988 62
Ravine Road Sewer—Claim against Jersey City.....	11,537 09
Uncollected Taxes—Portion of—Known as Floating Fund on Treasurer's Books—Valid asset on books of Collector of Revenue	499,194 96
Cash available—See Treasurer's Balance, and also see outstanding warrants, Credit Account of Comptroller.....	67,664 75
Cash advanced by Treasurer to balance Account.....	142 22
NOTE—Error of .03 in Treasurer's Ledger Account adjusted by Journal Entry during current year.	
Total Debit	\$782,234 55

COMPTROLLER'S TRIAL BALANCE.

As at May 2, 1910.

	Counter- signed War- rants charged. See list of.	Cr. Acct.
Election Expense		\$1,485 43
Printing and Stationery	\$40 00	493 06
Coal and Wood		31 34
Public Grounds and Buildings.....	300 71	116 28
Armory		11 77
Insurance		747 35
Contingent Fund	14 00	6,955 66
Police Department, 1909-10.....		196 75
Fire Department		1,499 00
Building Inspector		1,237 69
Hoboken Cemetery		8,029 04
Sick and Indigent Poor		26 32
Poor Fund	81 05	841 29
Street Cleaning	181 90	2,655 79
Street and Public Building Lighting.....	266 50	20,879 79
Removing Ashes and Garbage.....		1,456 33
Repaving and Repairing Streets.....	154 89	2,009 58
Removing Dead Animals		300 00
Street Repaving—Bond Issue.....		70,326 74
Street Signs		500 00
Sewer Fund	552 04	6,364 15
Public Schools	27,000 00	17,111 29
Total warrants countersigned not accepted by Treasurer, or paid at date.....	\$28,591 09	

Water Front Revenue—Parks.....	\$9,746 00
Elysian Park	77 80
Playgrounds—Operating Account.....	29 21
Playgrounds—Bond Issue	12,718 00
Free Public Library	4,640 28
Hudson-Fulton Fund	1,495 00
Interest on City Bonds	558 86
Sinking Fund—General	3,956 36
Redemption Volunteer Bounty Bonds	125 62
Interest Water Bonds.....	125 00
Excise Account	8,352 54
County	250,000 00
Certificates of Indebtedness.....	7,998 10
Pipe Sewer—First and Newark streets	65 25
Water Main Bond Issue	3,947 93
Salary	121 92
Deposits to secure light contracts.....	10,000 00
Hudson and Manhattan Railroad Co.....	500 00
High Schol Bonds.....	293 50
Surplus Martin Act	3,837 03
Sinking Funds	306,835 00
Adjusted Taxes	261 35
City Indebtedness Fund	148 67
Redemption Arrears Tax	391 80
High School Bond Issue, Premium and Interest.....	3,319 13
Playgrounds, Bond Issue, Premium and Interest.....	1,437 06
Repaving Streets, Bond Issue, Premium and Interest.....	2,772 38
Water Mains, Bond Issue, Premium and Interest.....	2,062 89
Jas. Smith, Treasurer—Special Account.....	142 22
Total Credits	\$782,234 55

THE COMPTROLLER.

Debit and Credited Balances Closed Into Surplus.

At the close of business, May 1, 1911, we found after our analysis certain credit accounts which we considered advisable to close into the Surplus Account.

As stated in our preliminary report, the City did not show May 2, 1910, any temporary loans in anticipation of the collection of taxes secured by temporary loan bonds, or any money borrowed from bank.

All money disbursed had been provided for operating expenses from within the corporation, and there was a large balance of uncollected taxes.

As stated under the caption, "The Treasurer," all money was entered in a general account, and used as needed.

Certain moneys should have been used for specific purposes so as to close both the Cash and its Credit Account, but this was not done. The cash was used and entered in the account, but the credit account for and on behalf of which the money was received, remained an open credit.

The Liabilities or credit balances of accounts were closed and transferred into Surplus, as per the following Journal entry, and we ask that the same be ratified and approved:

THE COMPTROLLER.

Debit Balances Closed Into Surplus Account, as per Journal Entry—Folio 52-3.

	Dr. Acct.	
Police Department, 1909-10	\$196 75	
Permits, Inspector of Buildings.....	1,482 00	
Permits, Inspector of Bldgs., 1909-10.....	1,237 69	
Poor Fund	838 29	
Street Signs	4 14	
Hudson Fulton Ter-Centennial	1,495 00	
Interest on Temporary Loans, 1909-10.....	16 66	
Interest from Arrears of Taxes.....	6,964 23	
Interest from Current Taxes.....	668 88	
General Sinking Funds	3,956 36	
Redemption and Interest Vol. Bounty Bonds.....	125 62	
Interest paid City Hall School Bonds.....	507 64	
Interest Water Bonds	125 00	
Franchise Tax	3,620 34	
Improvement Madison Street, Eighth to Fifteenth Streets.....	107 92	
Improvement Madison Street, Eighth to Ninth Streets.....	559 18	
Improvement Madison Street, Fifth to Eighth Streets.....	587 84	
Clinton Street Improvement	41 37	
Fifteenth Street Improvement, Willow Avenue to Boulevard.....	3,830 59	
Fifth Street Improvement, Madison and Jefferson Streets.....	133 59	
Madison Street Sewer, between First and Ferry Streets.....	189 29	
Park Avenue Sewer	378 86	
Twelfth Street Improvement	901 94	
Willow Avenue Sewer.....	1,249 00	
Repairs Sluice Gate	1 06	
Main Outlet Sewer	586 06	
Improvement Madison Street, Eighth to Fifteenth Streets.....	686 34	
Pipe Sewer, First Street Sewer.....	66 25	
Water Main Bond Fund.....	671 08	
Salary Fund, 1909-10	40 00	
Sale of Bonds, Premium and Interest.....	7,750 55	
Sale of Funding Bonds.....	4,955 12	
Commissioners of Adjustment of Taxes.....	261 35	
City Indebtedness Fund	148 67	
Redemption of Arrears of Taxes, Water Rents, etc.....	391 80	
Premium and Interest on School Bonds.....	3,319 13	
Premium and Interest Playground Bonds.....	1,437 06	
Premium and Interest Repaving Streets Bonds.....	2,772 38	
Premium and Interest Water Bonds.....	2,062 89	
Surplus Account, 1910-11	26,688 29	
		Cr. Entry.
Surplus Account, Uncollected Taxes.....		\$81,096 21

JOURNAL NOTE.—The amount represents credits as recorded on the books of account of the city, some of them being continuous for a long period of time. While the amounts should have cash as the contra entry on said books, the said cash was used in the operation

of the city government in various forms, without a proper record being made of it on the books of account.

At the time the money should have been transferred to proper Sinking and other Funds to pay interest, charges and sundry expense items. As the money for Sinking Funds, Interest Charges and Expense Items was paid instead from the General Cash Fund, these items are now transferred and recorded on the books of account as a Surplus Item Account, (under the existing conditions, a purely bookkeeping transaction), the same to be charged with losses that may accrue in the future from uncollectable taxes, the money actually used, coming from the four (4) and eight (8) per cent. added to total taxes levied for the purpose of a Surplus Account.

FLOATING FUND.

The Treasurer's Ledger had a closing account known as the "Floating Fund."

The Treasurer credited this "Floating Fund," with the total appropriated amount, as per the Annual Budget, with refunder of taxes, etc., and opened accounts and charged them with the individual appropriations, or a combination of the said appropriations.

He credited the separate appropriation accounts with disbursements.

He charged the Floating Fund with collection of taxes.

May 3, 1910, this "Floating Fund" showed a credit balance of \$499,194.96.

In other words, there was \$499,194.96 more appropriated than was collected from regular taxes by the Collector during a long continuous period.

This "Floating Fund" account was a controlling account on total appropriated amounts and collections from taxes to pay said appropriated amounts.

We have seen fit to change the method as stated under another caption, and enter uncollected taxes as the asset against appropriated amounts, instead of the bookkeeping title of "Floating Fund."

On May 2, 1910, there was on record in the Collector of Revenue's office \$578,128.32 of uncollected taxes, from the years 1884 to 1909 inclusive.

In setting up our accounts we have substituted and used the said valuable asset of uncollected "Taxes" instead of the bookkeeping entry, "Floating Fund," to the amount of the balance of said recorded "Floating Fund," viz., \$499,194.96.

This amount should furnish the necessary cash upon collection to make good all appropriated amounts, leaving any excess taxes over said amount, as additional working capital, or as a means of transfer to replace book assets of no value.

The balance of uncollected taxes, amounting to \$78,933.36 we have charged as an asset, and credited to Surplus Account, as per the Journal entry, Folio 48, following.

There was paid into the City Treasury, March 8, 1911, by the D. L. & W. Railroad, \$37,742.51 of taxes of 1907, which had been deducted from taxes and did not appear as part of the balance of taxes, as at May 2, 1910.

This amount of taxes we again charged as an asset, and credited to Surplus Account, as per the Journal entry, Folio 48, following.

We have also charged to taxes and credited to Surplus Account \$1,793.68 excess of rate levied on ratables above amount appropriated, all entries as per the Journal entry following, for the year 1910-11.

Journal entry—

Folio 48:	Dr. Entry.	
Taxes Account	\$78,933 36	
Taxes Account	37,742 51	
		Cr. Entry.
Surplus Account (Uncollectable Taxes).....	\$116,675 87	

NOTE.—Taxes of 1907, recharged on account second class railroad property, viz.: \$37,742.51; Bill No. 2131, Fifth Ward, No. 1251, Second Ward, being amount paid by M. & E. Railroad Co., March 8, 1911.

Also excess of taxes as credited at beginning of year May 2, 1910, over amount of Floating Fund upon Treasurer's Ledger, viz.: \$78,933.36.

Journal entry—

Folio 48:	Dr. Entry.	
Taxes Account	\$1,793 68	
Surplus Account, 1910-11		Cr. Entry. \$1,793 68

NOTE—Excess of rate levied on ratables above amount appropriated for all purposes.

In addition, we charged to Surplus Account, the debit balances resulting from the payment by the Treasurer of Certificates of Indebtedness, and interest thereon, fully described under the caption of "The Treasurer," and which at the beginning of the year May 2, 1910, entered into the trial balances of the Treasurer and Comptroller.

This transfer was approved by resolution of Council, as per Journal entry, Folio 36.

We also charged off per Journal entry, Folio 48, uncollectable taxes from the year 1884 to 1902 inclusive, amounting to \$92,385.57, as per resolution of Council.

We also charged off sundry assets of no value amounting to \$1,806.81, as per Journal entry, Folio 53, and \$500.00 on Account of Bounty Bonds, as per Journal entry, Folio 51.

We also charged to Surplus Account, in order to bring upon the records, outstanding Certificates of Indebtedness amounting to \$2,824.95.

All these entries follow:

DEBIT BALANCES.

CERTIFICATES OF INDEBTEDNESS TRANSFERRED.

Journal entry—

Folio 36.	Credit Entry.
Grand Street Sewer,	
Between Seventh and Eighth Streets	\$291 73
Grand Street Improvement,	
Between Seventh and Eighth Streets.....	243 33
Harrison Street Sewer,	
Between First and Second Streets.....	514 79
Harrison Street Improvement,	
Between First and Second Streets	1,326 97
Jackson Street Improvement,	
Between Second and Third Streets.....	164 62
Jackson Street Improvement,	
Between Third and Fifth Streets.....	94 61
Jackson Street Improvement,	
Fourth to Fifth, and Fifth from Jackson to Madison.....	636 87
Jackson Street Improvement,	
Between Fourth and Fifth Streets.....	148 43
Jackson Street Improvement,	
Between First and Second Streets	706 93
Jackson Street Improvement,	
Between Newark and First Streets.....	2,923 72
Jackson Street Improvement,	
Between Second and Fourth Streets.....	4,950 00

Jackson Street Sewer,	
Between Second and Third Streets.....	667 61
Jackson Street Improvement,	
Between Third and Fifth Streets	217 90
Jackson Street Improvement,	
Between Fifth and Eighth Streets.....	791 83
Jefferson Street Improvement,	
Between Fourth and Fifth Streets.....	11 00
Jefferson Street Sewer,	
Between Fifth and Eighth Streets.....	2,577 78
Jefferson Street Improvement,	
Between First, Second and Third Streets.....	1,349 79
Jefferson Street Improvement,	
Between Third and Fourth Streets.....	387 81
Jefferson Street Improvement,	
Fourth to Eighth Streets.....	402 01
Jefferson Street Improvement,	
Fifth to Fourteenth Streets	17,293 15
Monroe Street Improvement,	
Fifth to Eighth Streets.....	768 85
Monroe Street Sewer,	
Fifth to Eighth Streets	676 10
Monroe Street Improvement,	
Between Fourth and Fifth Streets	96 57
Monroe Street Sewer,	
Between Fourth and Fifth Streets.....	497 58
Monroe Street Sewer,	
Between First and Fourth Streets.....	7,144 11
Monroe Street Improvement,	
Between Second and Fourth Streets.....	1,247 92
Monroe Street Improvement,	
Between Fourth and Eighth Streets.....	7,999 78
Madison Street Improvement,	
Between Second and Fifth Streets	2,269 37
Adams Street Improvement,	
Between Fourth and Fifth Streets.....	528 31
Adams Street Improvement,	
Between Fifth and Sixth Streets.....	694 22
Adams Street Sewer,	
Between Second and Third Streets.....	968 91
Adams Street Sewer.	
Between Sixth and Eighth Streets.....	1,508 28
Adams Street Improvement,	
Between Sixth and Eighth Streets.....	3,786 90
Adams Street Improvement,	
Between Eighth and Ninth Streets.....	1,299 84
Clinton Street Sewer,	
Between Third and Fourth Streets.....	766 73
Clinton Street Sewer.	
Between Eighth and Twelfth Streets.....	1,605 87

Eighth Street Improvement	
Between Jefferson and Jackson.....	233 14
Eighth Street Improvement,	
Between Jefferson to W. Boundary	720 03
Eleventh Street Improvement,	
Between Clinton to W. Boundary.....	180 90
Eleventh Street Improvement,	
Between Clinton to Madison..	441 05
Eleventh and Clinton Street Improvements.....	1,104 62
Ferry Street Sewer,	
Between Jefferson and Jackson	1,079 87
Ferry Street Sewer,	
Between Jackson and Monroe	11 00
Ferry Street Sewer,	
Between Monroe to W. Boundary	89 50
Fourth Street Improvement,	
Between Monroe and Marshall	5,464 64
Fourth Street Improvement,	
Between Monroe and Jackson	107 77
Fourth Street Improvement,	
Between Clinton and W. Boundary.....	13 75
Fifth Street Improvement,	
Between Madison and Jackson	1,062 60
Fifth Street Improvement,	
Between Jackson and Monroe.....	10 45
Fifth Street Improvement,	
Between Adams Street and W. Boundary.....	7,716 19
Fifth Street Improvement,	
Between Grand and Madison.....	1,148 57
Grand Street Improvement,	
Between Second and Third Streets	355 35
Grand Street Improvement,	
Between Sixth and Seventh Streets	652 73
Grand Street Sewer,	
Between Sixth and Seventh Streets	1,568 95
Madison Street Improvement,	
Between Eighth and Ninth Streets	65 64
Madison Street Sewer	
Between Fifth and Eighth Streets.....	6,036 44
Ninth Street Improvement,	
Between Willow and Clinton.....	107 25
Paterson Avenue Improvement,	
Between Jackson and Harrison	93 50
Paterson Avenue Improvement,	
Between Ferry Street to W. S. R. R.....	492 65
Second Street Improvement,	
Between Madison and Jackson	316 30
Second Street Improvement,	
Between Jackson and Marshall	471 31
Seventh Street Improvement,	
Between Clinton and Jefferson	310 12

Seventh Street Improvement,	
Clinton to W. Boundary	3,742 24
Seventh Street Improvement,	
Jefferson to Jackson	393 08
Sixth Street Improvement,	
Between Adams and Grand	76 42
Sixth Street Improvement,	
Between Adams and Monroe.....	347 45
Sixth Street Improvement,	
Between Grand and W. Boundary.....	2,332 89
Third Street Improvement,	
Between Madison and Marshall.....	2,970 66
Third Street Improvement,	
Between Adams and Monroe	1,265 76
Third Street Improvement,	
Between Madison and Monroe.....	77 63
Thirteenth Street Improvement,	
Between Willow and Madison	5 16
Old Street Improvement Certificates.....	48,463 38
Old Street Improvement Certificates.....	1,596 36
	Debit Entry.
Surplus Account	\$158,680 57

UNCOLLECTABLE TAXES TRANSFERRED.

Journal entry—

Folio 46.

Debit Entry.

Surplus Account (Uncollectable Taxes) 1884
to 1909..... \$92,385 57

Credit Entry.

Taxes Account	\$92,385 57
Being taxes of 1884	\$3,849 52
1885	5,816 66
1886	4,801 30
1887	4,284 26
1888	3,880 24
1889	3,095 05
1890	3,770 23
1891	4,738 09
1892	4,078 00
1893	4,308 72
1894	4,679 72
1895	4,690 68
1896	4,314 20
1897	5,099 38
1898	5,995 12
1899	7,210 27
1900	6,213 30
1901	5,923 01
1902	5,637 82

Which were cancelled by resolution of Council, Nov. 30, 1910, subject to the approval of the Corporation Attorney, which approval was given.

Journal entry—

Folio 53.	Debit Entry.	Cr. Entry.
Surplus Account (Uncollectable Taxes, etc.)....	\$1,806 81	
New Fire House, Fifth Ward.....		\$92 40
Arrears of Taxes Fund.....		1,415 66
Law Books for District Court.....		42 50
No. 9 School House Site.....		256 25

NOTE.—To transfer and charge old Accounts to Surplus Accounts, as they are of no value as an asset, being more specifically a revenue charge or loss.

Journal entry—

Folio 51.	Debit Entry.	Cr. Entry.
Surplus Account (Bounty Bonds.....)	\$500 00	
Volunteer Bounty Bonds.....		\$500 00

NOTE—This is an old bond issue before the date of Sinking Funds.

If the money was provided for it, same was used for other purposes.

To get the bond upon record, we are compelled to charge Surplus Account, and provide the money in case the bond is every presented for payment.

Journal entry—

Folio 51.	Debit Acct.	Credit Acct.
Surplus Account	\$2,824 95	
Improvement Certificates		\$2,824 85
No. 1,756 Principal	\$32 28	
No. 7 Principal	1,240 00	
No. 1,467 Principal	112 00	
No. 351 Principal	70 01	
No. 357 Principal	144 00	
No. 347 Principal	87 44	
No. 350 Principal	77 01	
No. 349 Principal	1,062 21	

NOTE.—To bring unpaid certificates into the accounts. No entry was ever made in the books, and these are now charged to Surplus Account, and credited as the liability of the city. Most of them are very old, and may never be presented.

The cash has been used in part, and if certificates are presented, the city must make good the amount not in Cash Fund.

A RECAPITULATION OF DEBITS AND CREDITS CARRIED TO THE SURPLUS
ACCOUNT AS FOLLOWS:

	Debit Entry.		Credit Entry.
On Account Certificates of Indebtedness.....	\$158,680 57		
On Account Taxes Uncollectable.....	92,385 57		
On Account Sundry Open Accounts.....	1,806 81		
On Account Bounty Bonds	500 00		
On Account Improvement Certificates	2,824 95		
Total charges	\$256,197 90		
On Account Sundry Open Accounts.....		\$81,096 21	
On Account Taxes		78,933 36	

On Account Taxes	37,742 51
On Account Taxes	1,793 68
To Balances—Excess charges over credits.....	56,632 14

Total Credits and Balance..... \$256,197 90

NOTE.—We have credited practically all assets of actual value and charged off book values in excess of actual values, to the amount of \$56,632.14.

SURPLUS ACCOUNT—ANNUAL OPERATIONS.

We now show the total value of the additional eight and four per cent. added to total taxes appropriated, as a Surplus Fund, "to be applied to the supply of any deficiency by reason of losses of taxes not collectable, etc.," the surplus, if any, to be "applied to such purpose as the Council may direct."

The total for the years 1884 to 1909 inclusive amounted to \$709,300.85, but of this sum we only carried into the General Ledger account \$413,037.06, the amount deducted by lawful Boards, as will appear from the following Exhibit.

The "surplus" was used during the period in which received, as Council from time to time directed in a general way, but not by specific action.

Not having the authority to go back over the entire period, we must assume that all receipts and disbursements have apparently been in balance, for we come down to May, 1906, with an established "cash balance," and during the period of 1906 and 1910 have recorded more deductions per the records than receipts from the said 8% and 4%.

The Exhibit follows:

THE COMPTROLLER.

Annual value of 8% and 4% Surplus Levied.

As per		
Journal entry—Folio 34.		Dr. Entry.
8% on Taxes 1884-5.....		\$17,766 00
" " 1885-6.....		16,768 72
" " 1886-7.....		22,498 00
" " 1887-8.....		22,251 20
" " 1888-9.....		20,301 84
" " 1889-90.....		18,500 82
" " 1890-1.....		21,582 04
" " 1891-2.....		27,521 28
" " 1892-3.....		23,120 29
" " 1903-4.....		21,776 60
" " 1894-5.....		26,584 49
" " 1895-6.....		28,262 15
" " 1896-7.....		28,672 03
" " 1897-8.....		30,537 39
" " 1898-9.....		33,177 25
" " 1899-1900.....		32,353 32
" " 1900-01.....		32,679 09
" " 1901-02.....		32,679 09
" " 1902-03.....		33,752 00
" " 1903-04.....		36,014 24
" " 1904-05.....		40,209 39
" " 1905-06.....		44,157 90

4% on Taxes 1906-07.....	24,369 77
" " 1907-08.....	24,822 27
" " 1908-09.....	22,021 77
" " 1909-10.....	26,848 84

Cr. Entry.

Surplus Account, 1884 to 1909 inclusive.....

\$709,300 85

The above account shows the total amount of the Surplus Account (Uncollectable Taxes), from the year 1884 to 1909 inclusive.

No account was kept in the book of said Surplus Account.

There were deductions by the County and State Boards, Courts, Mayor and Council, of \$413,037.36, as per the Account on Journal, Folio 35. (See deductions followings.)

Therefore, in order to keep the double entry form of accounts, it is possible to use the Surplus Account only to the amount actually deducted, which amount adjusts the appropriation of the various tax years to that extent.

NOTE.—The balance of the Surplus Account (Uncollectable Taxes), \$296,263 79 was used during the above period without record, and as we were not authorized to audit prior to May 1906, we are compelled to accept the account as in balance, as per the Treasurer's Ledger, May 7, 1906.

The balance of Account, to open Account (Credit entry) is.. 413,037 06

 \$709,300 85

THE JOURNAL ENTRY OF DEDUCTIONS FOLLOWS:

SURPLUS ACCOUNT (Dr. Entry) Uncollectable

Taxes \$413,037 06

Credit Entry.

Deductions, Cancellations, etc., Tax Year	1884-5.....	\$2,477 26
" " "	1885-6.....	1,958 89
" " "	1896-7.....	3,047 36
" " "	1897-8.....	2,084 82
" " "	1888-9.....	4,003 10
" " "	1889-90.....	3,415 93
" " "	1890-1.....	4,087 78
" " "	1891-2.....	5,754 30
" " "	1892-3.....	6,822 53
" " "	1893-4.....	3,902 56
" " "	1894-5.....	4,787 09
" " "	1895-6.....	6,315 02
" " "	1896-7.....	32,133 71
" " "	1897-8.....	5,294 66
" " "	1898-9.....	10,132 25
" " "	1899-00.....	10,766 06
" " "	1900-01.....	7,300 25
" " "	1901-02.....	4,296 21
" " "	1902-03.....	5,085 28
" " "	1903-04.....	40,074 78
" " "	1904-05.....	79,360 46
" " "	1905-06.....	52,287 17

"	"	"	1906-07.....	30,900 01
"	"	"	1907-08.....	70,796 90
"	"	"	1908-09.....	15,224 13
"	"	"	1909-10.....	728 55

To open Account (See reports of Boards and Courts for data).

THE COMPTROLLER.

As to Receipts and Disbursements.

For the year ending April 30, 1911.

Under the new system installed, formulated according to the classification of the Bureau of the Census, United States Government.

On May 10, 1911, the Comptroller submitted an annual Exhibit showing receipts and disbursements of cash.

The work for the year was in balance on the books of the Comptroller as soon as the year closed, viz.: April 30, 1911.

All that was necessary to do was to rule off the accounts, bring down balances, and formulate the report herewith submitted.

Being the first report under the new system, it was very satisfactory to the department to be able to submit the report so soon after the close of the year.

As stated under another caption, the Budget for the year considered, had been formulated and approved under the old method, but we classified the said Budget and entered the appropriated amounts under the new method.

It was tedious work, but we are well satisfied with the result.

The report of the Comptroller follows:

Hoboken, N. J., May 10, 1911.

To the Honorable Mayor and City Council, Hoboken, N. J.:

Gentlemen—I beg to submit my preliminary report of receipts and disbursements for the fiscal year ending May 1st 1911.

The receipts are classified into divisions of City Revenue for and on account of which they were received.

The disbursements are classified in conformity to the requirements of the Department of Commerce, Bureau of the Census, U. S. Government, and as approved by the National Association of Municipalities.

The accounts are taken from my Ledger, are in balance, and will enter into my annual report as part of the detail thereof.

This is the first time in the administration of affairs in Hoboken, and probably in the State of New Jersey, that the classification of accounts have been made to conform to the most approved modern method, and the result seems most encouraging.

Practically the total balance of Cash as at May 1, 1911, belongs to the Tax Arrearage Fund, and is to be transferred to the Sinking Fund Cash for redemption of balance of Temporary Loan Bonds, as soon as the definite amount is determined.

The report follows.

Respectfully submitted,

.....
Comptroller.

CASH RECEIPTS AND DISBURSEMENTS FOR THE YEAR 1910-11.

Cash Balance at beginning of year.....	\$67,806 97	
Receipts during the year.....	2,348,127 14	
Disbursements during the year.....		\$2,216,670 14
Cash Balance at the end of the year.....		199,263 97
	<hr/>	<hr/>
	\$2,415,934 11	\$2,415,934 11

CASH RECEIPTS.

From	
Taxes 1910	\$1,003,744 17
Taxes 1909	214,643 87
Taxes 1908	48,961 60
Taxes 1907	38,503 26
Taxes 1906	553 20
Interest on Taxes of 1909 and previous years.....	6,964 23
Interest on Taxes of 1910	668 88
Assessments	10,975 33
Interest on Assessments	247 90
Fines, etc., Recorder's Court.....	1,975 00
Fees, etc., District Court.....	3,731 75
Fire Department Permits	646 28
Special Police Officer at Lyric Theatre.....	999 96
Sale of Junk, Police Department.....	4 95
Permits, Building Inspector	1,482 00
Permits for Street Opening	607 43
Sale of Paving Blocks.....	296 00
Permits for Sewer Openings.....	145 00
Rent of Water Front Property.....	5,000 00
Interest on Daily Bank Balances.....	2,624 70
General Licenses—City Clerk.....	4,955 00
Miscellaneous Receipts—City Clerk.....	80 87
Excise Licenses	115,331 02
Hoboken Cemetery	3,982 83
Temporary Loans	432,000 00
Sale of Bonds	427,500 00
Premium and Interest on Sale of Bonds.....	13,492 98
Deposit on account of bids.....	7,500 00
Rent of Building—Board of Education.....	64 93
Special Deposit, account of printing special ordinances.....	444 00
Total Receipts	\$2,348,127 14

NOTE—The Treasurer and Comptroller show a receipt from Taxes of 1907-08-09, of \$132,742.69 (from the State as second class railroad property) which does not appear on the books of the Collector, as the same did not pass through the Collector's Department.

DISBURSEMENTS.

GENERAL GOVERNMENT—

Mayor's Office (Salary)	\$2,000 00
Legislative (Salary)	8,474 97
Law Department (Salary)	4,300 00
Finance Department (Salary)	10,200 00
Election Fund	1,970 20
Printing, Stationery, etc.....	7,080 48
Coal and Wood—City Buildings.....	1,507 30
Supplies for City Hall and Police Sub-Station.....	268 56
Repairs for City Hall and Police Sub-Station.....	524 56
Insurance on City Property.....	1,172 65
City Hall (Salary Engineers and Janitor).....	2,685 00

Expert Testimony in Water Front Property, etc.....	2,029 75
Clerk Hire for Secretary.....	315 00
Incidental Expenses, Commissioners of Assessment of Taxes	106 00
Contingent Fund	11,902 47
Miscellaneous (Salary)	10,900 00

PROTECTION OF LIFE, HEALTH AND PROPERTY—

Police Department	153,364 12
Salary Janitor Police Sub-Station.....	525 00
Fire Department	136,374 96
Courts (Salary)	8,644 12
Public Health	3,273 40
Public Health for repairs to Public Pound.....	200 00
Inspector of Buildings (Salary)	1,200 00
Hoboken Cemetery	3,362 25

PUBLIC CHARITY AND CORRECTIONS—

Sick and Indigent	17,436 00
Outdoor Poor	3,585 67
Medicine for Poor	425 38
Salary (Overseer of Poor and City Physicians).....	3,400 00

PUBLIC WORKS—

Uniforms and Caps for Street Cleaners.....	284 70
Uniforms and Caps for Sewer Men.....	51 85
Boots and Oil Suits for Sewer Men.....	74 25
Salary (Street Commissioner and Assistant)	2,833 28
Feeding and Shoeing Street Department Horses.....	1,697 75
Painting Carts	54 00
Machine Brooms	293 00
Hand Brooms for Street Department	283 50
Upkeep of six Carts, Repairing Carts, etc.....	105 65
Street Cleaning Supplies, etc.....	19,084 48
Salary—Street Cleaning	4,920 00
Sprinkling around City Hall.....	120 00
Street and Public Building Lighting.....	30,587 95
Removing Ashes and Garbage, 1910-11.....	10,171 64
Removing Ashes and Garbage, 1909-10.....	1,082 91
Cleaning Drain Boxes in Northwestern section of city....	172 50
Jackson Street Box Sewer intersection of Paterson Avenue	176 50
Six Men Cleaning Basins.....	4,658 75
Iron Pipe Connections for Basins.....	24 00
Labor Repairing Sewers and Rebuilding Manholes.....	223 00
Salary (Sluice Gate Keeper and Assistant).....	1,440 00
City's Share of Madison Street Improvement, between Eighth and Ninth Streets.....	2,586 35
Repairing Streets	2,849 90
Removing Dead Animals, 1910-11.....	400 00
Removing Dead Animals, 1909-10.....	300 00

Repairing Streets "Bond Issue"	44,958 10
Street Signs, 1909-10	495 86
Sewer Fund	1,637 18
First Street Sewer Bond Issue.....	19,361 27

PUBLIC EDUCATION, Etc.—

Public Schools, 1910-11	81,000 00
Public Schools, 1910-11, Account of Poll Tax.....	719 00
Industrial Education	7,000 00
Public Schools, 1909-10.....	17,111 29
Salary—Custodian	500 00
Parks—Expense	9,620 57
Music in Parks	700 00
Parks—Salary	11,275 00
Playgrounds	3,282 22
Playgrounds, "Bond Issue".....	10,302 75
Bath Repairs	360 20
Berth for Bath	170 00
Caretaker for Bath	125 00
Salary Bath Keeper	376 64
Observance of Memorial Day.....	495 00
Library	25,000 00

PUBLIC DEBT—

Temporary Loans paid.....	432,000 00
Improvement Certificates paid	11,194 95
Temporary Loan Bonds paid.....	12,712 83
Bonds paid	183,500 00

INTEREST—

Interest on Funded Debt	97,703 39
Interest on Temporary Loan Bonds.....	508 51
Interest on Deposit of Citizens' Light and Power Co.....	181 25
Interest on Temporary Loans.....	7,020 69

TAXATION, ASSESSMENTS, ETC.—

Refund to City Treasurer.....	142 19
Taxes Refunded	20 84
Salary Excise Commisisoners.....	2,499 60
Refund of Licenses	156 00
County Tax	250,000 00
State School Tax.....	179,071 40
Firemen's Pension Fund (Theatre Licenses)	2,425 00

TRUST FUNDS—

Sinking Funds	50,500 00
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MISCELLANEOUS

Water Main Bond Fund.....	776 85
Rturn of Deposits made on account of Bids.....	17,500 00
Custodian of School Moneys—Sale of and rent of buildings	358 43

Return of Surplus Money under Martin Act.....	1,457 02
Custodian of School Money—proceeds of bonds for High School	250,000 00
Expense of School Bond Issue.....	108 95
Expense of Funding Bond Issue.....	640 36
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Total Disbursements	\$2,216,670 14

THE COMPTROLLER.

The Report of the Tax Commissioners and the Budget for the Year 1911-12.

After the various departments had submitted estimates for the operation of their departments for the year 1911-12, as directed by law, and after said estimates had been considered and approved by the Board of Tax Commissioners, we formulated with the Comptroller, who acts as clerk to said Commission, the report of said Commission

The classification used in the report was in accordance with the new method installed.

The report was submitted to the City Council for necessary legal action, and the drafting of the required tax ordinance, which we formulated.

This ordinance was presented to Council at its meeting June 7, 1911.

The classification of departmental requirements was under the new method, and is the first time submitted in that form.

As the same classification and amounts were formulated and used in the report of the Tax Commissioners and the ordinance passed by Council, we reproduce the tax ordinance formulated to show the method used, and to provide a record for future use.

If necessary, the amounts appropriated will be still further classified on the books of the Comptroller, by using a proper card of accounts, with required symbol and range.

The ordinance follows:

AN ORDINANCE PROVIDING FOR THE ASSESSMENT AND COLLECTION OF THE ANNUAL TAX FOR THE YEAR NINETEEN HUNDRED AND ELEVEN, IN THE CITY OF HOBOKEN.

The Mayor and Council of the City of Hoboken do ordain as follows:

Section 1. That the Commissioners of Assessment of Taxes for the City of Hoboken shall assess for the use of the said City of Hoboken, exclusive of the four per centum hereinafter mentioned, as well as the appropriation for Free Public Library purposes, as fixed by law, the sum of five hundred and ninety-one thousand one hundred and forty-four dollars and thirty cents (\$591,144.30, for the following uses and purposes:

A.—GENERAL GOVERNMENT—

1. Mayor's Office:

Salary of Mayor.....	\$2,000 00
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Total cost of Mayor's Office.....	\$2,000 00

2. Legislative Department:

Salary of 10 Councilmen.....	\$4,000 00
Salary of City Clerk.....	2,500 00
Salary First Assistant City Clerk....	1,400 00
Salary Second Assistant City Clerk..	1,200 00
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Total cost of Legislative Department	9,100 00
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3. Law Department:

Salary of Corporation Attorney.....	\$2,500 00
Salary of Assistant Corporation Attorney	1,800 00

Total cost of Law Department..... 4,300 00

4. Finance Department—

Salary of City Treasurer.....	\$2,500 00
Salary of Assistant City Treasurer....	1,500 00
Salary of Collector of Revenue.....	2,500 00
Salary of Asst. Collector of Revenue.	1,200 00
Salary of City Comptroller.....	2,500 00
Typewriter for Collector of Revenue..	83 50
Adding Machine for Comptroller.....	350 00
Printing Financial Report.....	1,240 00

Total cost of Financial Department. 11,873 50

5. City Hall (Salary Account):

Salary of Janitor, City Hall.....	\$900 00
Salary of 2 Engineers, City Hall.....	1,800 00

Total cost of Salaries, City Hall.... 2,700 00

6. Tax Department—

Salary of 10 Tax Commissioners.....	\$1,000 00
Salary of Clerk Tax Commissioners..	300 00
Salary of 5 Commissioners of Assessment of Taxes	6,000 00
Salary of Clerk Commissioners of Assessment of Taxes.....	1,200 00
Incidental Expenses Commissioners of Assessment of Taxes.....	500 00

Total cost of Tax Department..... 8,800 00

7. Excise Department:

Salary of Excise License Inspector...	\$1,200 00
Printing and Stationery.....	1,000 00

Total cost of Excise Department... 2,200 00

8. Miscellaneous Salary:

License Inspector (General)	\$1,500 00
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Total Miscellaneous Salary 1,500 00

9. Printing and Stationery:

For current account.....	\$10,000 00
For Floating Account (Bills in hand)	6,610 89

Total for Printing and Stationery.. 16,610 89

10. Elections	5,000 00
11. Insurance on Public Buildings.....	1,000 00
12. Fuel, Supplies, Repairs, City Buildings:	
Coal and Wood (City Hall and Sub-Station)	\$1,800 00
Ice	200 00
Supplies (General)	300 00
Repairs (Sub-Station) and awnings...	250 00
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Total cost Fuel, Supplies, etc., City Buildings	2,550 00
13. Legislative Committee Expense.....	70 00
14. To send Comptroller and Assistant Treasurer to National Association Comptrollers, Washington, D. C....	200 00
15. Water Rents on City Property.....	225 00
16. Badges for Examining Engineers.....	75 00
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Total Sixty-eight thousand, two hundred and four dollars and thirty-nine cents to be raised by taxation for General Government.....

\$68,204 39

B.—PROTECTION OF LIFE, HEALTH AND PROPERTY—

17. Police Department:

Salaries and Pensions.....	\$151,003 33
Printing and Stationery.....	600 00
Incidentals	300 00
Supplies and Repairs	300 00
Telegraph and Telephone.....	200 00
Pictures for Rogues' Gallery.....	100 00
Feeding, Shoeing, and Veterinary....	500 00
Repairing Old Wagon.....	100 00
Patrol Wagon and Team of Horses and Harness	500 00
And the balance of \$700.00 now in fund.	
<hr/>	

Total cost of Police Department.... \$153,603 33

Less anticipated collection of Li-

conses..... \$110,000 00

Balance in hands of Department... 2,500 00

Total Deductions 112,500 00

Total, Forty-one thousand one hundred and three dollars and thirty-three cents, to be raised by taxation for the Police Department

41,103 33

18. Salary Janitor Police Sub-Station, to be raised by taxation		900 00
19. Fire Department:		
Salaries and Pensions.....	\$117,811 59	
Feeding and Shoeing Horses.....	7,140 00	
Supplies	3,000 00	
Printing and Stationery	800 00	
Gas and Electric Light.....	900 00	
Coal and Wood.....	1,800 00	
Water	350 00	
Hose	1,000 00	
1 Fire Alarm Box.....	150 00	
Manure	100 00	
Succession Boxes	375 00	
Wire	125 00	
Telephone	25 00	
Four Horses	1,200 00	
1 Chemical Wagon	2,000 00	
Ladders	200 00	
No. 6 Engine House (new flooring)..<	450 00	
Total cost of Fire Department.....		\$137,426 59
Less Balance in hands of Department, \$3,489.00, and \$4,785.00 now in hands of City.....		8,274 00
Also \$5,000 appropriated for First Street House, which sum is now re-appropriated to Fire Department.		
Total, One hundred and twenty-nine thousand one hundred and fifty-two dollars and fifty-nine cents to be raised by taxation for the Fire Department		129,152 59
20. Courts:		
Salary of Judge of District Court.....	\$3,000 00	
Salary of Clerk of District Court.....	1,500 00	
Salary of Constable of District Court.....	469 50	
Salary of Recorder	3,500 00	
Salary of Clerk to Recorder.....	1,500 00	
Total cost of Courts, nine thousand nine hundred and sixty-nine dollars and fifty cents to be raised by taxation		9,969 50
21. Building Department:		
Salary of Building Inspector.....	\$1,800 00	
Salary of Assistant Building Inspector.....	1,200 00	
Printing Building Code.....	687 22	
Total cost for Building Department three thousand six hundred and eighty-seven dollars and twenty-two cents to be raised by taxation.....		3,687 22

22. Health and Vital Statistics Department:

District Nurses	\$500 00
Examination of Milk	500 00
Per Capita Tax 70,324 at 5c. per Head.....	3,516 20

Total cost for Health and Vital Statistics Department Four thousand five hundred and sixteen dollars and twenty cents to be raised by taxation

4,516 20

NOTE.—GENERAL EXPENSES OF DEPARTMENT:

Salaries Health Department.....	\$5,120 00
Printing and Stationery.....	600 00
Disinfectants	400 00
Statistics	800 00
Feeding Dogs	35 00
Telephone	120 00
Indexing and Recording Vital Statistics..	150 00
Seizing Dogs	200 00
Vaccine	90 00
Office Light	17 00
Dog Tags	48 00
Cleaning Office	70 00
Office Fixtures and Repairs.....	225 00
Miscellaneous	70 00
Total	\$7,945 00

Estimated Income:

Dog Licenses	\$2,500 00
Milk Permits	250 00
Swill Licenses	150 00
Plumbing Plans	90 00
Steamship Permits	400 00
Lodging House Permits	100 00
Fat and Bone Permits	70 00
Burial Permits	235 00
Tanning Hides	5 00
Storing Hides, Skins, etc.....	15 00
Total Estimated Income	\$3,815 00

C.—PUBLIC CHARITY AND CORRECTIONS—

23. Outdoor Poor	\$4,000 00
24. Medicine for Poor.....	400 00
25. Salary Overseer of Poor.....	1,400 00
Salary City Physician	1,000 00
Salary Assistant City Physician.....	1,000 00
25A. St. Mary's Hospital Fund.....	30,000 00

Total cost for Public Charity and Corrections,
Thirty-seven thousand eight hundred dollars,
to be raised by taxation.....

\$37,800 00

D.—PUBLIC WORKS—

Repairing and Repaving Streets and General:

26. Hose for Street Commissioner.....	\$300 00
27. Sprinkling around City Hall.....	120 00
28. Disinfectants, Eleventh and Twelfth, Madison and Adams Streets.....	150 00
29. Removing Ashes and Garbage.....	12,520 00
30. Removing Dead Animals.....	500 00
31. Street and Public Building Lighting....	26,000 00
32. Repaving Second, Adams, Madison, Clin- ton, Willow Avenue	3,500 00
33. Repaving Monroe Street, between Fifth and Sixth Streets	3,600 00
34. Repaving Sixth Street, Madison to Mon- roe (and the reappropriation of \$1,000.00 now in Fund).....	350 00
35. Repaving Willow Avenue, Eleventh and Thirteenth Streets	11,200 00
36. Repairing Streets and Cross-Bridge Lay- ing	2,000 00
37. Repairing Asphalt Streets.....	3,000 00
38. Purchase of 2 lots, 50x100, for City Stable (and the reappropriation of \$1,000.00 for repairing Stable now in Fund)	3,000 00
39. Cleaning Ditches	500 00

Total cost Repairing, Repaving and
General

66,740 00

40. Administration (Salary)	
Street Commissioner	\$2,000 00
Assistant Street Commissioner.....	1,500 00

Total cost of Administration.....

3,500 00

41. Street Cleaning Department:

Salary of Foreman on Streets.....	\$780 00
Driver on Sweeper	720 00
3 Cart Drivers	2,160 00
Stableman	720 00
Assistant Stableman	600 00

Labor and Supplies General:

42. Men Cleaning Streets.....	\$20,000 00
43. Uniforms for Men on Streets.....	210 00
44. Uniforms for Drivers.....	200 00
45. Painting and Lettering Carts.....	128 00
46. Feeding Horses	1,500 00
47. Shoeing Horses	400 00
48. Street Sprinkling for Sweepers	800 00
49. Cylinder Brooms	500 00

50. Hand Brooms	500 00
51. Upkeep of Carts	400 00
52. Veterinary Services	100 00
53. Can Carriers and Cans.....	100 00
54. Horses (To be used in connection with balance of \$250.00 now in hand which is hereby reappropriated)	450 00
55. Snow Plow	150 00
56. New Street Sweeper	400 00

Total cost of Street Cleaning Thirty thousand eight hundred and sixteen dollars

30,816 00

Sewers:

57. Salary Sluice Gate Keeper.....	\$720 00
Salary Assistant Sluice Gate Keeper..	720 00
58. 6 Men Cleaning Receiving Basins.....	4,680 00
59. Uniforms and Caps for Sewer Men.....	52 50
60. New Manhole Rings and Covers.....	400 00
61. Boots and Oil Skin Suits.....	100 00
62. Supplies, etc	200 00
63. Repairing Sewers, Rebuilding Manholes.	500 00
64. 5 Iron Pipe Connections.....	450 00
65. 10 New Receiving Basins and Heads...	1,000 00

To be situated as follows:

Northeast corner First and Washington Streets.

Northeast corner Second and Washington Streets.

Southeast corner Second and Washington Streets.

Northeast corner Twelfth and Washington Streets.

Northeast corner Thirteenth and Washington Streets.

Northeast corner Fourteenth and Washington Streets.

Northwest corner Fourteenth and Washington Streets.

Northeast corner Fourteenth and Bloomfield Streets.

Northwest corner Fourteenth and Bloomfield Streets.

Northwest corner Fourteenth Street and Park Avenue.

Total cost of Sewers.....

8,822 50

Total cost of Public Works, One hundred and nine thousand, eight hundred and seventy-eight dollars and fifty cents to be raised by taxation

100,878 50

E.—PUBLIC EDUCATION, RECREATION, ETC.—

Education:

66. Salary Custodian of School Monies....	\$500 00
67. Industrial Education	7,000 00

Total Cost Custodian and Industrial
Education

\$7,500 00

Parks:

68. Salary Superintendent	\$1,200 00
Salary 4 Park Keepers.....	3,600 00
Salary 7 Assistant Park Keepers.....	5,040 00
Salary City Gardener.....	720 00
Salary Assisant City Gardener.....	720 00
69. Music in Parks	700 00
70. Uniforms for Police of Parks.....	210 00

Total cost of Parks.....—.....

12,190 00

Baths:

71. Salary of Bathkeeper.....	\$400 00
72. Repairs for Bath	400 00
73. Berth for Bath	240 00
74. Caretaker for Bath.....	160 00
75. Supplies for Bath.....	100 00
76. Repairing Bath.....	1,197 51
77. Repairing Bath.....	250 00

Total cost of Baths.....

2,747 51

78. Playgrounds	\$3,610 00
79. Observance of Memorial Day.....	500 00
80. July 4th—Fireworks	500 00

Total cost of Playgrounds, etc.....

4,610 00

Total cost Public Education, Recreation, etc.,
Twenty-seven thousand and forty-seven dollars
and fifty-one cents to be raised by taxation....

27,047 51

G—PUBLIC DEBT (None to be Raised).

G.—INTEREST—

Temporary Loan Division:

81. Interest Temporary Loans, 1910-11.....	\$7,020 69
82. 6 months' Interest on High School Bonds not pro- vided in last Budget	5,625 00
83. 6 months' Interest on First Street Sewer Bonds not provided in last Budget.....	1,000 00

Total Interest on Temporary Loan Division,
Thirteen thousand six hundred and forty-five
dollars and sixty-nine cents to be raised by
taxation

13,645 69

34. Funded Debt Division:

Cleaning and Repairing Sewer Bonds..	\$420 00
Police Department Bonds.....	1,080 00
Park Bonds, due 4/1/16.....	400 00
Purchase of Elysian Park Bonds.....	514 00
Outlet Sewer Bonds	4,000 00
Free Public Library Bonds.....	2,000 00
Fire Engine House Bonds.....	1,000 00
Redemption of Uptown Street Improve- ment Bonds "A"	12,480 00
Redemption of Uptown Street Improve- ment Bonds "B".....	3,000 00
Redemption of Uptown Street Improve- ment Bonds "C & D".....	6,860 00
Erection of 2 Engine Houses.....	600 00
Fire House No. 6 Bonds, due 8/1/26....	1,600 00
Fire House No. 6 Bonds, due 8/1/27....	800 00
Funding Bonds, due 9/1/27.....	3,015 00
Street Repairing Bonds, due 5/2/28....	6,000 00
Street Repairing Bonds, due 10/1/28....	2,000 00
Refunded Judgment Bonds.....	2,080 00
Funding Bonds, due 5/1/38.....	1,075 00
Playgrounds Bonds	2,000 00
Funding Bonds, due 12/1/40	5,737 50
Repaving Streets Bonds	5,000 00
First Street Sewer Bonds.....	2,000 00
School No. 7 Bonds, due 3/1/17.....	3,600 00
School No. 7 Bonds, due 6/1/18.....	520 00
School No. 8 Bonds, due 3/1/34.....	5,600 00
School No. 9 Bonds, due 1/1/37.....	8,786 60
Extension School No. 2 Bonds.....	335 43
School No. 9 Bonds, due 1/1/39.....	420 00
High School Bonds, due 1/1/39.....	4,000 00
High School Bonds, due 7/1/40.....	11,250 00
Water Bonds, due 5/1/38.....	4,750 00
Water Bonds, due 7/1/39.....	880 00

Total Interest on Funded Debt.....	\$103,203 53
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Less estimated receipts from Fran- chise Tax, due Dec., 1910.....	32,015 50
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Total Interest on Funded Debt, Seventy-one
thousand, one hundred and eighty-eight dol-
lars and three cents to be raised by taxation..

71,188 03

H.—TAXATION, ASSESSMENTS, ETC. (None Except as Included Herein.)

I.—TRUST FUNDS—

35. Sinking Fund Installments:

Current Account 1911-12, on account of Cleaning and Repairing Sewer Bonds.....	3,500 00
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Police Department Bonds.....	2,400 00
Purchase of Elysian Park Bonds.....	1,000 00
Outlet Sewer Bonds	2,000 00
Free Public Library Bonds.....	1,000 00
Fire Engine House Bonds.....	1,000 00
Redemption of Uptown Street Improvement Bonds "A"	6,240 00
Redemption of Uptown Street Improvement Bonds "B"	1,500 00
Redemption of Uptown Street Improvement Bonds, "C & D"	3,000 00
Erection of 2 Engine Houses Bonds.....	1,000 00
Fire House No. 6 Bonds.....	1,900 00
Funding Bonds, due 9/1/27	2,010 00
Street Repairing Bonds, due 5/2/28.....	2,000 00
Street Repairing Bonds, due 10/1/28.....	1,000 00
Refunded Judgment Bonds.....	1,040 00
Funding Bonds, due 5/1/38.....	645 00
Playground Bonds	1,000 00
Funding Bonds, due 12/1/40.....	3,825 00
Repaving Streets Bonds.....	3,125 00
First Street Sewer Bonds.....	2,500 00
School No. 7 Bonds.....	5,000 00
School No. 8 Bonds.....	2,800 00
School No. 9 Bonds.....	4,395 00
Extension to School No. 2 Bonds.....	225 00
High School Bonds	2,210 00
High School Bonds	5,000 00
Water Bonds, due 3/1/38.....	2,850 00
Water Bonds, due 7/1/39.....	660 00
School, City Hall and Water Bonds, paid 7/1/10.....	4,500 00

Total Sinking Fund charge Sixty-nine thousand
three hundred and twenty-five dollars to be
raised by taxation

69,825 00

J.—MISCELLANEOUS—

86. Assistant Building Inspector, 4 month's salary, new office	\$400 00
87. Building Inspector, 4 month's increase of salary, from \$1,200.00 to \$1,800.00.....	200 00
88. Recorder, 4 months' increase of salary from \$2,500.00 to \$3,500.00	333 32

Total Cost increase of Salary, nine hundred and
thirty-three dollars and thirty-two cents, to be
raised by taxation.....

933 32

89. Repairs to the Building now occupied by the Exempt Firemen's Association, at No. 213 Bloomfield Street, to be raised by tax- ation	1,000 00
90. The United Aid Society for Children's Shelter, to be raised by tax- ation	1,000 00

91. To pay outstanding claims as follows:

Francis J. Ross, supplies furnished Police Headquarters	\$11 10
W. L. Kamena, coal furnished City Hall.....	78 30
W. L. Kamena, coal furnished City Hall.....	78 30
George Pinner, glass furnished Council Chamber.....	3 00
Frank LaPointe, repairing ceiling fans at Second Precinct	26 00
Frank LaPointe, cleaning and repairing fans at City Hall	13 00
Dehls & Stein, disinfectant furnished police Headquarters	67 75
John Meyer, recaneing chairs at City Hall.....	20 00
Otto Hottendorf, ice furnished City Hall.....	82 15
Bernard McGovern, repairs at Second Precinct.....	7 00
Germoline Co., one bbl. of disinfectant.....	62 00
Louis Bender, gold fish furnished parks.....	7 00
John T. Dunn, ice furnished Ambulance House.....	55 20
World's Best Mfg. Co., one bbl. of bug destroyer.....	78 00
J. M. Patterson, supplies furnished Bath.....	39 93
J. M. Patterson, supplies furnished Police Headquarters	17 50
James Murray, sprinkling streets around City Hall...	10 00
Hoboken Electric Equipment Co., electrical repairs...	10 00
Hoboken Electric Equipment Co., electrical repairs...	15 50
W. D. Bindewald, supplies furnished City Hall.....	11 55
Hoboken Electric Equipment Co., electrical repairs...	8 25
Frank Cordts Furniture Co., one revolving stool.....	4 98
Howell Bros., furniture for Ambulance House.....	21 00
Howell Bros., supplies furnished Second Precinct.....	4 90
Howell Bros., furniture, etc., furnished City Hall.....	34 25
Jersey City Horse Manure Co., manure furnished Parks	365 80
Max Klimkeit, taking down and storing awnings.....	12 00
William R. Wilson, repairs at Ambulance House.....	87 25
William R. Wilson, repairs at Ambulance House.....	62 30
Tietje & Christ, supplies furnished Police Matron....	64 33
Thos. M. Abell & Co., supplies furnished City Hall..	5 00
Patrick Driscoll, repairs at Ambulance House.....	50 34
J. M. Patterson, one flag at Ambulance House.....	8 00
J. M. Patterson, supplies furnished City Hall.....	27 90
Hoboken Electric Equipment Co., repairs at Recorder's Court	9 50
Gandolfo Bros., ice furnished Ambulance House, Season 1910	71 60
Fagan Iron Works, repairs at Ambulance House.....	19 48
Thomas M. Abell & Co., supplies furnished City Hall..	11 35
C. F. Meyer, supplies furnished City Hall.....	13 50
J. M. Patterson, supplies furnished City Hall.....	9 00
C. Muzzi & Co., supplies furnished Public Bath.....	4 65
C. Muzzi & Co., supplies	2 10
Hoboken Electric Equipment Co., repairs at Second Precinct	8 50

J. M. Patterson, supplies furnished City Hall.....	41 90	
George A. Malone, services at Public Bath.....	73 26	
W. D. Bindewald, supplies furnished City Prison Keeper.	17 50	
Frank Cordts Furniture Co., repairs at Recorder's Court,, etc	8 10	
George Pinner, glazing at City Hall.....	9 00	
Hoboken Electric Equipment Co., repairs at Collec- tor's Office	7 50	
Charles Roerecke, repairing clock, Police Head quarters	3 00	
Thomas F. Devlin, 5 signs for Councilmen's desks.	11 00	
J. Ritter, attending clocks at City Hall.....	22 50	
Total, one thousand, seven hundred and ninety- three dollars and two cents, to be raised by taxation		1,793 02

Making a total to be raised by taxation of five hundred and
ninety-one thousand one hundred and forty-four dollars and
thirty cents as follows:

A.—General Government	\$68,204 39	\$591,144 30
B.—Protection of Life, Health and Property:		
Police Department.....	\$41,103 33	
Salary Janitor Sub-Station.....	900 00	
Fire Department	129,152 59	
Courts	9,969 50	
Building Department	3,687 22	
Health and Vital Statistics.....	3,516 20	
District Nurses	500 00	
Examination of Milk	500 00	
		189,328 84
C.—Public Charity and Corrections.....	37,800 00	
D.—Public Works	109,787 50	
E.—Public Education, Recreation, etc.....	27,047 51	
F.—Public Debt—None.		
G.—Interest—		
Temporary Loan Division.....	\$13,645 69	
Funded Debt Division.....	71,188 03	
		84,833 72
H.—Taxation, Assessment, etc.—None.		
I.—Trust Funds—		
Sinking Fund Installments.....	69,325 00	
J.—Miscellaneous—		
Additional Salaries	\$933 32	
Exempt Firemen's Association	1,000 00	
United Aid Society	1,000 00	
Outstanding Claims	1,793 02	
		4,726 34
Total		\$591,144 30

The monies collected from fines in the Recorder's Court, and the fees collected in the District Court, less fifteen hundred dollars (\$1,500.00) for salary of the First Assistant to Collector of Revenue, are appropriated to the Contingent Fund.

The balances in the different funds not otherwise appropriated are reappropriated to their respective funds.

Section 2. That the said Commissioners of Assessment of Taxes shall in addition to the sum of five hundred and ninety-one thousand, one hundred and forty-four dollars and thirty cents (\$591,144.30), above mentioned, assess to cover the losses and expenses four per centum additional upon the whole amount to be raised, to be applied to supply any deficiency by reason of losses of taxes not collectable; and to defray the necessary expenses of the Free Public Library, so fixed by law, to wit: the sum of one-third of a mill on every dollar of assessable property.

Section 3. That the sum of five hundred and ninety-one thousand, one hundred and forty-four dollars and thirty cents (\$591,144.30) shall be assessed upon the real estate, chattels and other property and things taxable by law in said city, both on resident and non-residents by valuing the same at their full value, designating the number and parcels of land and the value of the same, and the value of the personal property and other property and things assessed to each person.

Section 4. That said Commissioners of Assessment of Taxes, making said assessment, shall assess each lot of land separately, and shall assess buildings separate and apart from the land upon which the same stands, and when two lots shall be sub-divided and shall be described accurately, each lot and its subdivision; and shall state the street number of each lot of land in the city by and according to the last official numbering of record in the office of the City Clerk, and shall complete their assessment on or before the third Monday of August next.

Section 5. That every male inhabitant of said city over the age of twenty-one years, and not a pauper, and not exempt by law from said assessment, shall be assessed the sum of one dollar as a poll tax for the use and support of the public schools of the city, which sum shall be assessed in addition to the sum of money mentioned in the first section of this ordinance, and when collected shall be paid over to the City Treasurer for the purpose aforesaid.

Section 6. That the Commissioners of Assessment of Taxes shall deliver to the Collector of Revenue of the city, within thirty days after the first Tuesday in August next, a transcript or duplicate of their assessments, made according to law, with affidavits thereunto annexed, as required by law, and shall deliver another such transcript or duplicate with the like affidavits annexed to the City Clerk, who is hereby directed to produce the same before the Council at the next regular meeting thereafter, for approval and confirmation.

Section 7. The City Clerk is hereby directed to transmit a copy of this ordinance to the Hudson County Board of Taxation before the third Tuesday of August next.

Section 8. All appeals from taxation shall hereafter be presented to the Hudson County Board of Taxation, such appeals to be taken and heard prior to December 20th, next, and public notice of that fact shall be given by the City Clerk in form as heretofore.

THE COMPTROLLER.

With Reference to the Board of Education.

The question as to the duties of the City Comptroller with reference to the examination and audit of claims, and the countersigning of warrants drawn upon order of the Board of Education, came up during our work, and we satisfactorily explained the law as between Treasurer Smith, Comptroller Kaufman and Secretary Kerr, of the Board of Education.

Section 62 of the School Laws says: "All disbursements of the Board of Education shall be by warrant drawn on the Custodian of the School Moneys of the District, signed by the President of said Board, and countersigned by the Secretary.

"All warrants drawn in accordance with the provisions of this section, accompanied by itemized statement of claims or demands that have been drawn, shall be forwarded by said Secretary to the Comptroller, Auditor, or other officer, if there be one, authorized by law to audit claims and demands against the municipality in which such district shall be situate.

"Said Comptroller, Auditor, or other officer, shall be the Auditor of the School District, and shall receive such compensation therefor as the Common Council or other governing body of said municipality shall determine, and the bonds given by such Comptroller, Auditor or other officer for the faithful performance of his duty to such municipality, shall be held to cover the performance of his duty as Auditor of the School District.

"Such Auditor shall examine and audit such warrants and statements, with a view of ascertaining whether the sum or sums are proper, and if he shall find them to be correct, he shall countersign the said warrants and forward them to the City Treasurer, who, by virtue of his office as City Treasurer, shall be the Custodian of the School Moneys of the School District.

"Said Auditor shall, whenever he shall deem it to be for the best interests of the School District, examine under oath any person presenting a bill or claim against said School District, and also examine witnesses and investigate by other evidence and inquiry, all the facts relating to said claim which in his opinion are necessary to establish the accuracy and good faith of said claim, and to ascertain the School District's liability therefor; if said Auditor shall have reason to believe that the claim or demand for which any such warrant shall have been issued is incorrect, or for any cause should not be paid, he shall return such warrant and statement to the Secretary of the Board of Education, with a statement of the reasons why the same should not be paid, and said Secretary shall correct said warrant and statement, or present them to the Board of Education at its next meeting; if said Board shall find that the claim or demand for which said warrant was issued is correct and just, it shall by a vote of a majority of all the members of said Board, order that it be paid, and said Auditor shall, upon receipt of the warrant and statement thereof, together with a statement of the action of the Board of Education thereon, countersign the warrant and forward it to the Custodian of School Moneys; said Auditor shall, whenever he shall deem it necessary, examine all books, papers and vouchers of the Board of Education, or any officer thereof, and shall have free and unrestrained access to them for that purpose."

It is perfectly clear that the City Comptroller is the Auditor of this School District, viz.: HOBOKEN.

As such "Auditor" of the Hoboken School District he has certain specific duties to perform, and a non-performance of these duties would invalidate all acts to which the law applies.

The Secretary has sent warrants approved by the President and Secretary to the "Auditor," sometimes accompanying them with a statement, and sometimes not.

The "itemized statement of claims or demands that have been drawn," which the law requires, has not been forwarded to the Auditor in the proper form.

Apparently, the name, number of warrant, and amount of warrant only have been given under a general heading such as "Printing," "Supplies," etc.

The "itemized statement" required by law should give the facts just named, and in addition should give the itemized details of purchase.

Bills are not required to be forwarded to the Auditor for him to examine, and thereby acquire knowledge to enable him to approve or reject the claim, but the law requires the "itemized statement" to be forwarded, so that the said Auditor can "examine and audit such

warrants and statements, with a view of ascertaining whether the sum or sums are proper."

This has never been done, so that all warrants countersigned by the Auditor, have been signed in a perfunctory manner.

The law cannot be evaded in this respect, for the Auditor can "examine under oath any person presenting a bill or claim against said School District, and also examine witnesses and investigate by other evidence and inquiry all the facts relating to said claim, etc."

If the law does not require bills to be forwarded to the Auditor, but does require an "Itemized statement," then the Board of Education, through its Secretary, should furnish the same to the Auditor, so that the Auditor's countersignature may be legal, otherwise bills are paid illegally.

While the law says, under the head of Custodian of School Moneys, that "Nothing in this article shall be construed as giving to the Township Committee, Common Council or other governing body of any municipality, any control over moneys belonging to the School District in the hand of the Custodian of the School Moneys of said District," and further says:

"Any ordinance, by law or resolution of a Township Committee, Common Council or other governing body of any municipality attempting to control such moneys, or which shall in any way prevent the Custodian of School Moneys of the School District from paying the orders of the Board of Education, as and when they shall be presented for payment, shall be absolutely void and of no effect," it also says how the finances and accounts shall be handled within its own body (Council). The City Comptroller, the financial officer of the Common Council, is the duly designated Auditor of the Board of Education, and must exercise all functions of office specified by law.

The law says how money for school purposes shall be levied and collected.

Additional capital for the erection of new school buildings is provided by the issue of bonds by the Common Council, the legal financial body of the city.

Section 184 of the School Laws says: "The Collector or Treasurer of each municipality in which a school district shall be situate, shall pay to the Custodian of the School Moneys of such School District the amount ordered to be assessed, levied and collected in such municipality for the use of the public schools therein, exclusive of the State School Tax, on the requisition or requisitions of the Board of Education."

If said requisition is honored, it can only be through the issue of a legally drawn warrant authorized by the Common Council of the city.

The necessity of action by the financial body of the School District, which in this District is the Common Council, makes it apparent that the City Comptroller, the financial officer of the financial body of this city, is the Auditor of the Board of Education, for the purpose of keeping a proper check on its operations, and that the financial body of the city must be in such position as to be constantly in touch with the financial transactions of the said Board of Education, even though the Board of Education is one with co-ordinate powers equal in a measure to the Common Council.

The Board of Education can and must exercise the distinctive powers granted it.

At the same time, it must recognize its Auditor, who is the financial officer of the city.

The Auditor of the Board of Education should require a classification of expenditures, so that the cost of operation of each school would have separate and distinct accounts for purposes of comparison.

The accounts, seemingly, are not now so classified.

All requisitions for money should have proper data back of it.

The law governing schools, and your charter, and statute law, must be considered as a whole, not by sections.

The Auditor should insist on complete data, and the power the law gives him.

THE COMPTROLLER.

With Reference to the Water Department.

In the examination of the methods and accounts of the City Comptroller's office, we have noted that the Comptroller countersigns all receipts of the Water Department, acting under the provisions of an ordinance which says:

"That in addition to the duties prescribed in the ordinance to which this is a supplement, the Comptroller shall examine and countersign all receipts for Water Rents, or Ar-rears of Water Rents, given to any person paying on the same by the Water Register of the city, and countersign all such receipts and keep a correct and complete record of such pay-ments in a book or books to be provided for the purpose."

While the above ordinance refers to receipts only, as issued by the Water Department, and while the Comptroller does countersign said receipts, and keep the record of said receipts in a record known as a countersignature book for Water Rents, the said Comptroller has no record of disbursements or regularly entered accounts of the said Water Department.

There is no section of the ordinance relating to the duties of the Comptroller that speci-fically directs the Comptroller to keep a record of disbursements made by the Water Depart-ment.

There has been no objection by the Water Commissioners to having the Comptroller keep a full set of accounts of the Water Department for purposes of audit and control, but the matter never has been taken up.

However, it is evidently intended that the Comptroller shall keep full accounts of the Water Department, as will be noted further on, but probably it would be better to speci-fically say, in a supplemental section of the ordinance relating to the duties of the Comptroller, that it was his duty to keep a record of disbursements, and thus be able to formu-late a double entry set of accounts of the said Department.

The authority to act as provided and noted above, is practically all the control and supervision the Comptroller has over the Department, except such as he obtains when acting under the provisions of the ordinance, which says:

"That it shall be the duty of the City Comptroller to examine the books and accounts of the Water Register and Treasurer of the Board of Water Commissioners at least once a year, or oftener; if deemed necessary."

Under this section, any examination made by the Comptroller would be a one-sided, un-balanced affair, so far as a comparison with his own records is concerned.

No examination or audit of accounts of any department should be made by the Comptroller, unless the results obtained can be compared with his own records.

The Comptroller should receive original detailed data from all departments and enter the same in skeleton form at least upon his own records, so as to not be dependent in any manner or form upon a department.

We further find in the ordinance prescribing the duties of the Comptroller that:

"He shall supervise the fiscal concerns of all Departments and Officers of the City."

Evidently part of the fiscal concerns, and a most important part, are the disbursements made by a department or officer, and the necessary accounts dependent upon a record of said disbursements.

To further show the authority of the Comptroller in the affairs of the city, we find the following among his general duties:

"He shall keep a regular set of books by double entry in which shall be opened and kept as many accounts under appropriate titles as may be necessary to show distinctly and separately ALL THE RECEIPTS AND EXPENDITURES OF THE CORPORATION, and all debts due it from others, and all record debts, etc."

We further find that the ordinance directs that:

"He shall compare quarterly the accounts of the Treasurer and all city officers with the vouchers to the same, WITH THE BOOKS OF HIS DEPARTMENT.

It is an omission not to have ordained that the Comptroller shall keep a record of disbursements and have the resulting double entry set of accounts with the Water Department. The authority should be given him at once, for as chief financial officer of the city, he acts for the Mayor and Common Council—the body having control of the financial affairs of the city.

That the Mayor and Common Council have some authority and control over the Water Department, it is further set forth in the law that the Water Department shall submit an annual report to the Common Council, which report is always filed with the City Clerk, and becomes a part of the minutes and proceedings of the Common Council.

To further show the evident intent of the law, the Chairman of the Common Council is ex-officio a member of the Board of Water Commissioners, with power to vote in the said body.

The Common Council in 1882 and 1897, when the contract with the Hackensack Water Company was considered, took the following action:

"The action of the Board of Water Commissioners of the City of Hoboken in making two certain contracts with the Hackensack Water Company, be and the same is hereby ratified, confirmed and adopted as the act of the corporate authorities of said city."

Whenever it is necessary to issue bonds for extension of mains, or other capital account, for and on behalf of the Water Department, the authority to so issue is given by law to the Common Council.

The said Council must provide the necessary Sinking Funds to amortise the debt, and the cash to pay accrued interest, unless the earnings of the Department is sufficient to pay the fixed charges noted.

If the fixed charges are paid by the department, the said department is self-supporting, and the bonded debt is not counted as a charge against the constitutional debt limit.

Otherwise the department is not self-supporting.

Our advice in the premises, is that the Comptroller formulate the necessary accounts and enter the same upon his records, after establishing the balances upon the books of the Water Department, and that the authority to audit disbursements, which is undoubtedly required under the various sections of the ordinance above quoted, be specifically delegated. Also, if necessary, that the matter be considered by the proper committees from the Water Department and Common Council, the intention being to provide the necessary legal check for the benefit of the authorities and taxpayers, and also to provide such accounts for the use of the Council, the financial body of the city, or any subsequent financial body of whatsoever character, to best serve the credit and standing of the city.

The matter does not interfere in any manner with the authority now vested in the Board of Water Commissioners, but provides what has been omitted from the method and system of operation in the past.

THE COMPTROLLER.

The Health and Vital Statistics Accounts.

The Comptroller keeps a record of the Health and Vital Statistics accounts only so far as they are covered by the per capita tax of five cents raised by taxation.

The estimated income of the said department from licenses, permits, etc., as per the tax ordinance of 1911-12, is \$3,815.00

Properly this money should be deposited with the Treasurer as collected, and entered into the accounts of the said Treasurer and the Comptroller, and be drawn upon by warrant of Council, the same as all other city money is deposited and drawn upon, acting under the general law on said subject.

The duty and power of said department as a co-ordinate branch of the government is fully recognized, but it does not alter the fact that the Treasurer is the keeper of all moneys, that the Comptroller is the Auditor of the Accounts, and that the City Council is the financial body of the city having charge of all its financial affairs.

While the Health Department keep their own records as to receipts and disbursements on account of licenses, we would suggest that the Finance Committee, with the Corporation Counsel, consider this matter, and determine with the proper committee of said Health Department, the rights and duties of all concerned, and bring all accounts upon the Comptroller's books.

THE COMPTROLLER.

General Supervision of Financial Affairs of All Departments.

All general laws of the State, the Charter provisions and ordinances of the city, fully recognize the Common Council as being the financial body of the city, and seem to establish the fact that its accredited financial officer, the City Comptroller, for and on behalf of said Common Council, must exercise a certain supervision over the financial affairs of all department, notwithstanding the fact that the Boards representing the six co-ordinate branches of the government, to wit: the Departments of Education, Library Board, Water, Health, Fire and Police, have peculiar powers and duties within themselves.

Council, as the financial body alone, has the power to raise money by taxation or bond issue, and is granted authority to reduce taxation by excise collections, and to pass laws concerning revenue to be received from permits or general licenses, which may be appropriated or used to reduce taxation.

To establish proper financial supervision over the said departments, both by the Council and Comptroller, so as to not interfere with the vested rights of the various departments, would necessitate more intimate knowledge by the Council of financial matters than is now furnished them by the said Departments. This can no doubt be readily formulated and determined.

THE COMPTROLLER.

Fixed Assets—Capital Investment Values.

The proper method of recording "Fixed Assets," or capital values, would be to make the proper entries at the time the capital was invested.

This not being done at the time, we have accepted assessed, or appraised values, and entered the same upon the books of record of the City, as set forth in the following Journal entry, as on Folio 54.

These entries will appear in the trial balance as of May 1, 1911, and in the Balance Sheet, and they are well within the limit of the cost of replacement.

The entry shows a very acceptable condition of the said assets.

Careful attention should be given to the condition of said assets or values, and all additional assets or values should be entered at the time acquired.

Fixed Assets—Capital and Investment values.

Journal entry—

Folio 54.	Debit Entry.
City Hall.....Assessed or appraised value	
(Land and Buildings)....	\$175,000 00
City Hall.....Assessed or appraised value	
(Equipment)	12,000 00
Police Sub-Station...Assessed or appraised value	
(Land and Buildings)....	26,300 00
Police Sub-Station...Assessed or appraised value	
(Equipment)	300 00

Fire Department....Assessed or appraised value	
(Land and Buildings)....	150,600 00
Fire Department....Assessed or appraised value	
(Equipment)	94,572 00
Schools	Assessed or appraised value
(Land and Buildings)....	1,158,016 00
Schools	Assessed or appraised value
(Equipment)	53,969 00
Library	Assessed or appraised value
(Land and Buildings)....	74,800 00
Library	Assessed or appraised value
(Books and Equipment)..	82,000 00
Parks	Assessed or appraised value
(Land and Buildings)....	571,600 00
Parks	Assessed or appraised value
(Other Property)	3,000 00
Street Department...Assessed or appraised value	
(Equipment)	4,000 00
Ambulance House...Assessed or appraised value	
(Land and Buildings)....	10,400 00
Public Bath.....Assessed or appraised value	
(Land and Buildings)....	10,000 00
City Stable.....Assessed or appraised value	
(Land and Buildings)....	3,700 00
Pound—Public	Assessed or appraised value
(Land and Buildings)....	5,000 00
Public Playground...Assessed or appraised value	
(Land and Buildings)....	27,400 00
Viaduct	Assessed or appraised value
	24,800 00
Water Distribution	
System	Assessed or appraised value
(Equipment)	600,000 00

Credit Entry.

Surplus Account (Fixed Assets, Capital Investment value).....\$3,087,457 00

NOTE.—To enter items of capital value at assessed or physical inventory value, to show the present value of former investments (permanent). Subject to rules of depreciation and renewal and maintenance of buildings and equipment.

Investments made from bond issues principally.

THE COMPTROLLER.

Trial Balance of General Ledger, as at April 30, 1911.

Including Sinking Fund Commission Accounts.

After closing and transferring accounts as indicated under the title of "Closing Accounts," "The Comptroller," we beg to submit a trial balance of the Comptroller's Ledger, as at April 30, 1911.

The operating accounts have been left as accrued at the above date.

Some accounts still open may be closed after further consideration.

A few still remain open which have accrued value from a long continued period of operation.

All are under the control of your Honorable Body for disposition.
The Exhibit follows:

THE COMPTROLLER.

Trial Balance—General Ledger. Detail as at April 30, 1911.

Including Sinking Fund Commission Accounts.

Folio.	Dr. Account.	Cr. Account.
2 Salary, Legislative		\$833 36
5 Election Fund		1,015 23
7 Printing and Stationery.....	138 39	
8 Printing Building Code		291 30
9 Excise Commissioners, P. & S.....		403 67
10 Coal and Wood—City Buildings.....		24 04
Ice—City Buildings		200 00
11 Supplies for City Hall and Police Sub-Station.....		31 44
11 Repairs for City Hall and Police Sub-Station.....		3 49
12 Filing Cabinet for City Clerk's Office.....		600 00
12 Water for Public Buildings.....		225 00
12 Insurance on City Property.....		74 70
14 Salary (City Hall)		15 00
15 Expert Testimony in Water Front, etc.....		970 25
16 Incidental Expenses of Commissioners of Assessments of Taxes		94 00
19 Contingent Fund		2,040 81
51 Police Department.. ..		4 95
52 Salary Janitor Police Sub-Station.....		375 00
53 Fire Department		4,785 00
55 Salary (Courts)		57 89
60 Hoboken Cemetery		8,649 62
81 Sick and Indigent Poor		90 32
82 Outdoor Poor		1,417 33
84 Medicine for Poor		74 62
101 Uniforms and Caps for Street Cleaners.....		4 30
101 Uniforms and Caps for Sewer Men.....		65
102 Boots and Oil Suits for Sewer Men.....		25 75
102 One Horse		250 00
103 Salary, Administrative, P. W.....		666 72
104 Feeding and Shoeing Street Department Horses.....		2 25
105 Repairs to City Stable		1,000 00
106 Painting Carts		6 00
106 Broom handles for Street Department.....		20 00
106 Can Carriers for Street Department		100 00
106 Machine Brooms		7 00
107 Hand Brooms for Street Department.....		66 50
107 Upkeep of six (6) carts, repairing carts, etc.....		194 35
108 Street Cleaning Supplies etc.....		2,371 31
109 Salary—Street Cleaning		60 00
112 Street and Public Building Lighting.....		21,141 84
113 Removing Ashes and Garbage.....		1,348 36
114 Cleaning Drain Boxes in Northwestern Section of City.....		327 50

114	Jackson Street Box Sewer, intersection of Paterson Avenue..	123 50
115	Six (6) Men Cleaning Basins.....	21 25
116	Iron Pipe Connections for Basins.....	336 00
116	Labor, Repairing Sewers and Rebuilding Manholes.....	77 00
119	Wood Block Pavement at Intersection of Eleventh and Hud- son Streets	900 00
119	Repairing Sixth Street, between Madison and Monroe....	1,000 00
120	Repairing Streets	2,063 11
121	Repairing Asphalt Streets	2,000 00
122	Removing Dead Animals	100 00
123	Repairing Streets, "Bond Issue".....	25,368 64
124	Sewer Fund, 1909-10	4,871 97
126	First Street Sewer, "Bond Issue"	30,638 73
181	Public Schools	51,259 25
183	Parks, Expense	5,125 43
184	Elysian Park, "Bond Issue".....	77 80
184	Salary, Parks	5 00
186	Playground	246 99
187	Playgrounds, "Bond Issue".....	2,415 25
188	Bath Repairs	39 80
188	Berth for Bath	70 00
188	Caretaker for Bath.....	35 00
188	Salary—Bath Keeper	23 36
189	Observance of Memorial Day.....	5 00
190	Library	2,199 97
203	Improvement Certificates	1,598 29
204	Special Temporary Loan Bonds.....	317,417 63
206	Loan to City	14,000 00
210 to		
225	Bonds	2,516,469 00
239 to		
270	Sinking Fund Requirements.....	1,233,220 00
275 to		
280	Unearned Interest.....	951,159 90
341	Interest on Funded Debt.....	1,967 50
343	Interest on Daily Bank Balances.....	2,335 42
343	Interest on Daily Bank Balances, City Collector.....	91 73
346	Interest due Sinking Funds, May 2, 1910.....	46,617 30
349	Interest on Loans to be raised by taxation.....	7,020 69
351	Interest on Bonded Debt, July.....	40 00
353	Interest on Bonded Debt, November.....	22 49
353	Interest on Bonded Debt, January.....	80 00
355	Interest on High School Bonds.....	5,625 00
421	Taxes Account	442,768 31
423	Liquor Licenses, etc	7,457 47
431	County Tax	315,079 44
434	General Licenses—City Clerk.....	2,530 00
464 to		
513	Sinking Funds	383,492 73

554	Deposits on Account of Special Contracts, etc.....		500 00
556	Surplus Account, Martin Act.....		2,380 01
558	Appropriation from Sundry Years for Sinking Fund.....		36,000 00
558	Volunteer Bounty Bonds—Suspense Account.....	500 00	
560—	Taxes—Suspense Account	71,038 87	
560	Special Bonds	4,500 00	
563	Redemption of Hoboken City Bonds.....	2,572 94	
563	New Engine House on Hudson Street.....	6,988 62	
563	Redemption and Interest on Ravine Road Sewer Bonds.....	11,537 09	
575	City Treasury, General.....		262,155 16
579	City Treasurer, Tax Arrearage.....	309,717 89	
581	City Treasury, Assessment Fund.....	2,378 63	
583	City Treasury, Excise License.....	112,691 72	
585	City Treasury, Hoboken Cemetery Fund.....	8,649 62	
587	City Treasury, Special Deposit	500 00	
	City Treasury—Bond—Premium and Interest.....	18,101 26	
588	City Treasury, Surplus Account	2,380 01	
590	City Treasury, Petty Cash.....	7,000 00	
598—599—600			
	City Hall, Capital value, Land and Building.....	175,000 00	
	City Hall, Capital value, Equipment.....	12,000 00	
	Police Sub-Station, Capital value, Land and Building.....	26,300 00	
	Police Sub-Station, Capital value, Equipment.....	300 00	
	Fire Department—Capital value, Land and Buildings.....	150,600 00	
	Fire Department, Capital value, Equipment.....	94,572 00	
	Schools, Capital value, Land and Buildings.....	1,158,016 00	
	Schools, Capital value, Equipment.....	53,969 00	
	Library, Capital value, Land and Building.....	74,800 00	
	Library, Capital value, Equipment and Books.....	82,000 00	
	Parks, Capital value, Land and Buildings.....	571,600 00	
	Parks, Capital value, Equipment.....	3,000 00	
	Street Department, Capital value, Equipment.....	4,000 00	
	Ambulance House, Capital value, Land and Building.....	10,400 00	
	Public Bath, Capital value, Land and Building.....	10,000 00	
	City Stable, Capital value, Land and Building.....	3,700 00	
	Pound—Public, Capital value, Land and Building.....	5,000 00	
	Public Playgrounds, Capital value, Land and Buildings.....	27,400 00	
	Viaduct, Capital value.....	24,800 00	
	Water Distribution System, Capital value.....	600,000 00	
	Surplus Account (Fixed Assets—Capital value).....		3,087,457 00
			<hr/>
			\$6,739,503 43 \$6,739,503 43

GENERAL BALANCE SHEET.

We now present the General Balance Sheet for Corporate Purposes.

Having absolutely no foundation to build on in the beginning, we have worked out the condition of affairs down to May 1, 1911, including the business for the fiscal year 1910-11.

Not being able to tabulate the result of the work until completed and included in the books of account, some accounts requiring action by your Honorable Body to transfer bal-

ances will be closed in the books this present current year, before beginning the work for the said current year, 1911-12.

Some modifications in the future may be necessary, but the form of classification embraced in said Balance Sheet is substantially correct.

The Balance Sheet follows:

**CORPORATE PURPOSES—GENERAL BALANCE SHEET.
CURRENT ASSETS.**

Dr. Account.	
Cash, Tax Arrearage Fund, Note 1.....	\$309,717 89
Cash, Assessment Fund	2,378 63
Cash, Excise License Fund, Note 2.....	112,691 72
Cash, Hoboken Cemetery Fund.....	8,649 62
Cash Special Deposit Fund.....	500 00
Cash, Bond, Premium and Interest Fund.....	18,101 26
Cash, Surplus Account Fund	2,308 01
Cash, Petty, City Treasurer.....	7,000 00
Total Current Assets	\$461,419 13

CONTINGENT ASSETS.

Dr. Account.	
Printing and Stationery Account (to be closed into Contingent Account)	\$138 39
Loan to City (Sinking Fund Commissioners' Account)	14,000 00
Interest on Funded Debt.....	1,967 50
Interest due (Sinking Fund Commissioners' Account, to be transferred to Sinking Fund Asset)	46,617 30
Interest on Loans (to be raised by taxation)....	7,020 69
Interest on Bonded Debt, Nov., 1910 Account (to be raised by taxation or refunded from General Cash)	22 49
Interest on High School Bonds (to be raised by taxation)	5,625 00
Liquor Licenses (to be collected from Licenses) ..	7,457 47
Uncollected Taxes, 1903.....	\$5,479 22
Uncollected Taxes, 1904.....	5,233 00
Uncollected Taxes, 1905.....	6,563 70
Uncollected Taxes, 1906.....	5,368 86
Uncollected Taxes, 1907.....	43,193 09
Uncollected Taxes, 1908.....	61,610 91
Uncollected Taxes, 1909.....	80,280 01
Uncollected Taxes, 1910.....	235,040 82
	<hr/>
	442,768 31
Special Bonds (to be raised by taxation).....	4,500 00
Redemption City Bonds (to be raised by taxation or charged off)	2,572 94

New Engine House (Property now sold—money to be returned	6,988 62
Redemption and Interest Ravine Road Sewer Bonds (Account Receivable Jersey City).....	11,537 09
Taxes, Suspense Account (to be adjusted) Note 5	71,038 87
<hr/>	
Total Contingent Assets	\$622,254 67
—See Note 6.	

CURRENT LIABILITIES.

	Cr. Account.
Cash—City Treasurer—General—Note 3.....	\$262,155 16
Special Accounts—	
Repairing Streets—Bond Issue	25,368 64
First Street Sewer—Bond Issue.....	30,638 73
Playgrounds—Bond Issue	2,415 25
Hoboken Cemetery Fund—See Contra Cash Account.....	8,649 62
Interest Daily Balances—General.....	2,335 42
Interest Daily Balances—Collector.....	91 73
Surplus Account—Martin Act—See Contra Cash Account.....	2,380 01
H. & M. R. R. Co., Deposit—See Contra Cash Account.....	500 00
Improvement Certificates—See Contra Assessment Cash Account	1,598 29
<hr/>	
Total Special Accounts	\$336,132 85
Unexpended Balances—	
Sundry Accounts	\$114,450 35
County Tax	315,079 44
Interest on Funded Debt—See Asset Item, same Account.....	558 86
<hr/>	
Total Unexpended Balances	\$430,088 65
Adjusting Account—	
Special Temporary Loan Bonds (Sinking Fund Com. Acct.).....	\$317,417 63
—See Note 4.	

SINKING FUND ASSETS.

BONDED DEBT—SINKING FUND ACCOUNTS.

	Dr. Account.
Sinking Fund Requirements	\$1,233,220 00
Sinking Fund Investments—Bonds and Cash....	383,492 73
Unearned Interest	951,159 90
Volunteer Bounty Bond—Suspense Account.....	500 00
<hr/>	
Total Sinking Fund Assets.....	\$2,568,372 63

NOTE.—There is an Adjustment Interest Account of \$34.67 which is to be considered and transferred in this Bonded Debt Account.

BONDED DEBT LIABILITY.

BONDED DEBT—SINKING FUND ACCOUNTS.

Bonds—	Cr. Account.
General Bonds	\$1,468,850 00
School Bonds	830,619 00
Water Bonds	117,000 00
Library Bonds	50,000 00
Playground Bonds	50,000 00
Total Bonded Debt	\$2,516,469 00
Interest and Sinking Fund Adjustments—	
Appropriation Sundry Years, Sinking Fund	\$36,000 00
Unearned Interest	15,938 30
Total Interest and Sinking Fund.....	\$51,938 30

FIXED ASSETS.

	Dr. Account.
Capital Value Invested—	
Land and Buildings—Sundry Departments.....	\$2,237,616 00
Equipment—Sundry Departments	167,841 00
Library—Books and Fixtures.....	82,000 00
Water Distribution System.....	600,000 00
Total Fixed Assets	\$3,087,457 00
Total Assets	\$6,739,503 43

SURPLUS ACCOUNT.

	Cr. Account.
On Account Fixed Assets—Capital value (Mayor and Council of Hoboken	\$3,087,457 00
Total Liabilities	\$6,739,503 43

NOTES.

NOTE 1.—Ordered transferred to Sinking Fund Commissioners Account,
All collected during the year 1910-11.
Account to be adjusted.

RULE 2.—Ordered transferred by Budget 1910-11.

Money actually used for Police Department. To be transferred on Adjustment of
Uncollected Taxes as ordered by Council.

NOTE 3.—The book transaction and transfer of \$113,000.00 from Licenses Account, not made
in tax year 1910-11, but will be done as soon as Accounts are adjusted. The bal-
ance of this credit item was taken from the Tax Arrearage Cash Fund the fore
part of the tax year 1910-11, before cash funds were separately entered and
deposited.

To be returned to fund on adjustment of the Uncollected Taxes.

NOTE 4.—This adjusting entry is a Sinking Fund Commission item to be closed out by Tax
Arrearage Cash Fund.

The cash has been ordered turned over to the Sinking Fund Commissioners, which will be done as soon as final action is taken for the reimbursement of cash advanced for operating expenses during the fore part of the year.

NOTE 5.—Taxes from 1884 to 1902 inclusive cancelled from Tax Ledger as ordered by Council.

A part of said taxes was transferred to the General Ledger and held in suspense for the purpose of future adjustment.

NOTE 6.—The city received \$11,000.00 from the sale of the Fire House property on Hudson street.

The cost of this property, \$6,988.62, is held on the books of account as an Asset.

The account will be closed and cash properly credited.

Deducting the expense of sale, \$277.75, it will leave a balance of \$3,733.63 remaining as a credit to the operating Surplus Account.

There will probably be an additional credit of \$2,500.00 from the 1907 taxes originally levied against the M. & E. R. R., which was deducted from the books and subsequently paid on account second class railroad property to the State.

THE CITY ENGINEER'S DEPARTMENT.

City Maps—Field Books—Grades—Levels—Specifications, etc.

Acting under the law, the City Engineer in the past has provided plans, specifications, etc., for special improvements.

These improvement maps and data concerning the special improvement are filed and used as directed by law.

All said data is of value only for the special improvement for which it was formulated.

There was paid to the engineers for this special work during the fiscal year:

1906	\$2,128 26
1907	2,507 06
1908	1,714 49
1909	2,870 19

The City does not own or possess the requisite maps and data of all kinds to be able to successfully, accurately and economically manage its physical affairs, or that of public service requirements.

The City SHOULD have maps of the entire City accurately platted, with grades, levels and field notes to cover the requirements for all street, sidewalk, alley or wharf improvements, and that for public service.

The City at one time, according to the Engineer, did possess a map covering some of the necessary detail, but it is twenty or twenty-five years old, and has had many of the grades and levels changed, so that it is practically worthless and is now never used.

The City should have an engineer with proper assistants employed exclusively on its own work, who should provide detailed maps and data covering the requirements for street, and all other surface improvements.

This Department should have grades, levels and specifications so as to be able to furnish full detail for an entire City sewer system—an entire water system—an entire gas system—an entire electric light system—and be able to readily provide any additional system required, so that there would be no conflict or interference with the grades and levels of one separate system as against any or all of the other necessary systems.

These specific, municipal engineering systems are such as should be in possession of any city, and are not outside of ordinary requirements to successfully manage the physical affairs of the City.

The interference in installation of one system or additions to the system, with those of another, is very probable, as has been demonstrated in the past.

It will complicate matters more each year this condition of affairs is allowed to remain.

The City should change this method of procedure at once, and provide the necessary corps.

This corps would provide the data and supervise the work of all improvements as now, and in the interim, provide maps, plans and specifications for all necessary public service systems, so that it would be possible to get the benefit which should accrue to the City by the changed condition in the Engineering Department.

The expense would be little more than is now paid, as the sum paid to the engineers as noted above is only for assessable improvements.

THE NEW SYSTEM DESIGNED.

We considered it advisable to correct wrong method and system at once, even before the commencement of the audit of the four-year period authorized, from May, 1906, to May, 1910, inclusive.

The City Treasurer's office and the City Comptroller's office, on account of their working relationship, were jointly examined and systematized.

The entries in the Cash Books of the Treasurer were checked with the warrants and vouchers and the books of the City Comptroller, and many items were found in the Treasurer's books that were not entered in the books of the Comptroller. This applied principally to receipts of Cash from Bonds and Interest.

It indicated that the Comptroller was not receiving full and complete data from all departments. Therefore, he could not properly audit the accounts of the City.

To correct this defect, we designed a uniform set of forms showing receipts of cash from all departments, and herein designated as "Form Exhibit No. 1."

These receipt forms, as you will note from the specimens submitted, are made in triplicate, except that of the Collector of Revenue, which is made in quadruplicate.

All copies for the Treasurer are printed on pink paper, perforated, and are to be torn from the books.

All copies for the Comptroller are printed on blue paper, perforated, and are to be torn from the books.

All department copies are printed on white paper, and are bound so as to remain in the book of receipts.

The department, after making out the triplicate receipts by the use of carbon paper, takes the said receipt book to the Treasurer for his audit and receipt.

If the entry is found to be in balance with the cash deposited with the Treasurer, the triplicate copies are receipted.

The Receipt Book is then taken to the City Comptroller, who audits the account, and if correct, and the money is receipted for by the Treasurer, he approves of the same.

The Comptroller then takes his copy from the book and places it upon his own file.

The department returns the copy for the Treasurer to his office, who places it upon his own file.

The Comptroller and Treasurer make entries from the said receipts upon their specially designed cash books, and it is practically impossible for cash to be received through any department, without both the Comptroller and Treasurer auditing the same and making proper entry.

These duplicate receipts furnish original data from the departments.

They are of the greatest importance to the Comptroller, who formerly never received a copy of any receipt and could not control the affairs of the City.

At the end of each fiscal year, the Treasurer and Comptroller will have the receipts bound, and thus have a complete record of the year's work furnished by the departments.

All cash was formerly deposited by the Treasurer in one general account in the banks.

This was not legally correct, or in accordance with proper method.

It has resulted in many of the errors that have crept into your municipal system in the past.

Cash collected on account of current taxes should be deposited in a "General Cash" fund, to take care of the current obligations of the City, as approved each year through the operation of the Budget.

Cash collected on account of taxes in arrears should be deposited in a "Tax Arrearage Cash" fund, to pay obligations of the city, which have been created by reason of the non-collection of taxes in each and every current tax year.

Cash collected on account of assessments for improvements, should be deposited in an "Assessment Cash" fund, to pay for the cost of the improvement for which the assessment was levied, whether it be a direct payment for expense, or to redeem outstanding Certificates of Indebtedness issued in payment of the cost of any part of the improvement.

Cash received from the sale of Bonds should be deposited in a specifically designated "Cash Fund," to pay obligations created on account of which it was necessary to issue said Bonds.

The Premium and Accrued Interest received from the sale of Bonds must not be disbursed on account of the original obligation for which the bonds were issued, but deposited in a separate Cash Fund.

This cash may be used during the succeeding years to pay the amount of the Sinking Fund installments necessary to be provided to redeem the bonds at maturity.

The Accrued Interest may be used during the succeeding years to pay the semi-annual interest on the bonds on account of which it was received.

The Cash Fund for all Premium and Accrued Interest accounts may be kept in one Cash Fund, providing complete data is kept of each separate transaction.

The "Hoboken Cemetery Cash" fund must be kept in a separate account.

All other special cash funds must be kept in separate accounts.

If cash is kept in this manner it will be impossible to use money for any other purpose than that for which it was specifically received or collected.

The law makes ample provision for taking care of any liability created, and the enactments must be strictly adhered to in order to properly safeguard the money of the City.

In order to properly control the cash in the Treasurer's office we designed a Cash Book as shown in "Form Exhibit No. 2."

There is recorded first the "Total Cash Controlling" Account, showing total receipts and disbursements, to be used continuously for a year.

Then follows the "Date" column.

The "Description" column then records from whom and the purpose for which money was received.

Next follows the "Name of Miscellaneous Account to be Credited," which is used in connection with the "Miscellaneous Cash" column, the first of the series of five columns following, which indicate the "Cash Received and Credited on Account of" sundry miscellaneous purposes.

In these two columns would be given, for instance, the "Hoboken Cemetery" fund, and amount received; or the name of the Bond issues and amount received, etc., etc.

Each miscellaneous fund would require a separate posting.

The four columns following, viz.: "General," "Tax Arrearage," "Assessment" and "En-

cise," clearly indicate according to the description heretofore given the purpose for which they are to be entered and used.

They are posted in total once a month.

The total cash received to any given date, as shown in the "Receipts" column of "Total Cash" must balance the total credits to the same date in each and all of the five columns in the "Cash Received and Cr. on Account of" column.

In the "Daily and Monthly Receipts" column is entered the total receipts for each day, and collectively for the current month.

In this manner the Treasurer can control the daily, monthly and yearly receipts of money.

At the same time, and on the same line, the Cash is carried into its proper cash fund in the Bank in the "Bank Account Dr." column.

Under the name of the bank will be entered the amount deposited, and also in the blank column, the Treasurer will be charged daily with any amounts not deposited.

It is the intention to have all money received by the Treasurer deposited daily in the banks, so as to have an absolute check on receipts and deposits.

All money needed by the Treasurer is to be drawn on warrant, as the law directs.

Then follows the "Skeleton account of disbursements through warrants and bank."

Under the column "Bank Account Cr." will be entered the date of disbursement and the Warrant Book and Folio, and the folio to which the amount is posted.

Under the column "Title of City and Bank Fund" will be entered the name of the "account" and under the bank drawn upon will be credited the amount drawn by warrant.

The amount chargeable to the City Fund will be entered under the column "Amount City Fund, Dr."

The working of this Cash Book to date has proven highly satisfactory.

Each bank of deposit is required to balance its pass books on the last day of each month, or oftener, if necessary.

Since the beginning of the present fiscal year the Treasurer's Cash Book has been in balance with the banks' pass books, and the Treasurer now has at any minute of the day an absolute check on each and all of the banks, whereas formerly he had no control.

The detail of the disbursements entered in total in the credit column of each and all banks is furnished through the Warrant Books of each separate bank, as shown in "Form Exhibit No. 3."

Formerly the record of each warrant disbursed was entered in three different books.

At present the warrant is entered in but one book. Each bank has its own Warrant Book.

"Form Exhibit No. 3" gives "Date" of warrant, "Name" of payee, "For what purpose issued," the "Warrant Book" title, the "Warrant Number," the "Cash Book Folio" to which posted, the "Amount of Warrant," and the "Daily and Monthly Total" of said warrants issued.

Opposite the "Cash Account" is entered the title of the account drawn upon in each of said banks as "General," "Tax Arrearage," "Assessment," "Hoboken Cemetery," "Excise," etc., etc.

The one entry is sufficient, and saves two-thirds the time of former entry, and has proven entirely satisfactory.

The method keeps the various cash funds within themselves, and there is no difficulty in tracing a warrant.

The designing of the books of record has been reduced to the simplest method and form, so as to cover every requirement of the municipal government of your City.

To complete the record of warrants in the Treasurer's office, "Form Exhibit No. 4," cov-

ering outstanding warrants, was designed. This record gives "Date of Warrant," "Warrant Book," "Warrant Number," "Amount of Warrant," and "Date of Return from Bank."

The balance of the outstanding warrants was taken by the Treasurer, as at May 2, 1910, and entered in the new record.

Since that date, the outstanding warrant record has been operated under the new method.

At the end of each month, when the bank books are balanced, they are reconciled with the books of the Treasurer, and all outstanding current warrants entered in the outstanding warrant book.

If any previously entered outstanding warrants are redeemed during the month, the said warrants are cancelled of record in the "Date Returned by Bank" column, by drawing a line through the item. The balance is carried forward to the following month.

It is an easy matter to balance the account, and at any time during the month it is possible to determine the condition of the account.

By regularly reconciling the balance, as shown in the Treasurer's Cash Book, and his outstanding warrant book, with the balance of the bank pass books, it is practically impossible for an error of the bank cash account to be made.

The Treasurer's office has during the current fiscal year, beginning May 2, 1910, regularly, easily and correctly controlled and balanced the accounts with the banks and outstanding warrants.

"Form Exhibit No. 5" is the General Ledger of the Treasurer's office.

Under the title of "Debit Account" is shown the "Date" of the receipt or charge to a specific cash account, the "Description" of the entry, the Cash Book "Folio," from which posted, and the "Amount" posted.

Under the title of "Balance Account" is shown the "Debit Balance" or the "Credit Balance," as it may appear each day.

There cannot properly be a "Credit Balance," as this would indicate an overdraft of cash, which is illegal.

Under the title of "Credit Account" is shown the "Date" of the disbursement or credit to a specific cash account, the "Description" of the entry, the Cash Book "Folio" from which posted, and the "Amount" posted.

The Treasurer's office should deal entirely with cash, and it is not necessary for the Treasurer to keep the large number of accounts that he has kept in the past.

The details of all cash accounts should be, and are now kept by the Comptroller, who is thus enabled to keep an accurate check upon the records of the Treasurer and all Departments.

By keeping proper records of Cash, the Treasurer can prevent the use of money for any purpose except that for which it was specifically levied and collected.

The law makes ample provisions for the operation of the City government during the period of time from the beginning of the fiscal year in May, to the date when taxes are collected and available in December following, by borrowing in anticipation of the collection of taxes.

There is no other legal way in which funds for the current operation of the government during the period named can be obtained, but this provision was not lived up to strictly in the past, and if money was in the Treasury, it was used for any purpose whatsoever.

The former method of using money in possession of the Treasurer without the formality of law which requires temporary loan bonds to be issued therefore, in case of Sinking Fund money, has been difficult to adjust and balance.

"Form Exhibit No. 6A" is the Comptroller's Cash Book of Receipts, giving the general dis-

tribution of all money received, viz.: "General Cash," "Tax Arrearage Cash," "Assessment Cash," "Excise Cash," "Hoboken Cemetery Cash," etc., etc.

The general distribution of Cash Funds is the same as that entered by the Treasurer.

Under the "General Cash Account" the "Debit" column shows the total daily deposits from all sources.

Under the "Credit" distribution of this account there is enumerated practically every item that entered into the City's "General" or current cash, with blank columns for additional items that may be received.

"The Hoboken Cemetery Fund" has been taken from the "General" fund and placed in a special cash account, under the blank columns, "Debit" and "Credit," in "Form Exhibit No. 6B."

"Form Exhibit No. 6B" shows the "Tax Arrearage" Cash Fund.

The "Debit" of the account shows total daily receipts.

The "Credit" of the account shows the amount in total credited for payment.

The detail of the "Tax Arrearage" account is entered in the Tax Ledger, which is described further on.

The "Assessment Account" in "Form Exhibit 6B" shows the total receipts to the debit of the account, and the specific assessment is entered in the blank account column.

The "Excise Account" in "Form Exhibit 6B" shows the total receipts to the debit of the excise cash.

The "Credit" of the account shows the distribution into the various forms of excise licenses for which the cash was received.

The blank "Debit" and "Credit" columns allow the entry of any special funds, such as the "Hoboken Cemetery," "Bonds," etc.

The authority for entry of any item recorded in any fund of the Comptroller's Cash Book is received from the original data furnished by the various departments on "Form Exhibit No. 1," previously referred to.

The Comptroller, although the chief financial officer of the City, has never been furnished with properly recorded data from the departments.

On account of not receiving proper data from the departments, he has never been able to properly audit or check the accounts of the City.

Therefore, we have designed the books of all departments so that the Comptroller will be furnished with a copy of all data necessary to audit and control the financial affairs of the city.

"Form Exhibit No. 7" is a record of Disbursements as entered by the Comptroller.

It gives the "Date" that warrants are countersigned by the Comptroller, the "Name" of the person or corporation to whom paid, the "For What Purpose," the "Warrant Book" paid from, the "Amount of Warrant" and the "Check Column" for posting.

Under the "Debit" account section is also shown the "Accounts Debited," and the ledger "Folio" to which posted, and the "Amounts Debited."

Under the section "Credit Cash Accounts" are the cash accounts credited for payment, viz.: "General," "Tax Arrearage," "Assessment," "Excise," and a blank column for special funds.

"Form Exhibit No. 8" is the Comptroller's Tax Ledger.

The Comptroller did not formerly keep an account with taxes, and there never has been a check on the receipts of the Collector of Revenue.

Taxes are the largest available asset of the City, and should be recorded in such form as to be readily balanced at all times during the day, month or year.

The Tax Ledger shows first the "Description" column, which includes balances, current

collections, current deductions and additions during each day of the month, one page being used for a month's business.

Then follows the amount of "Total Balances and Total Daily Current Collections," meaning collections for the current month operating in.

Then follows columns showing balances, collections, etc., of each of the tax years that go to make up the total account.

At present we are using every column in the Ledger, the taxes recorded covering each fiscal year, from 1884 to 1910 inclusive.

The total cross footing of each and all tax years must daily balance the total amount of current collections, additions or deductions.

Collections may be made daily covering one or twenty years, and the entire day's business is entered upon one line only.

Under each specific year is entered the taxes paid on account of that year, the total of all years being entered in the total column.

Under the "Description" column and the subdivision, "Additions During the Month," would be totaled and distributed according to fiscal years, all additions made during the month, in the same manner that collections are entered.

Under the "Description" column and the subdivision "Deductions During Month," would be totaled and distributed according to fiscal year all deductions made during the month, in the same manner that collections are entered.

The result of the Comptroller's work is recorded in the "General Ledger," which is shown in "Form Exhibit No. 9."

The first column gives "Date" of entry; then follows the "Description" of the entry, the "Folio" from which posted, and the "Amount Debited."

Then is shown the credit entries, giving the "Date" of entry, "Description" of the entry, "Folio" from which the entry was posted, and the "Amount Credited."

At the top of each page is entered the

ACCOUNT—

DIVISION—(Of Account).

GENERAL DIVISION—(Of Account).

The proper basis is established, and we have every reason to believe that the City will be greatly benefited by it, and that the possibility of error will be reduced to the minimum.

In order to further control the handling of Cash, to classify the same in the various banks of deposit of the City, and to compel the payment of obligations from their proper cash funds, we changed the form of bank warrants used, as see "Form Exhibit No. 10."

The Mayor, Clerk and Comptroller sign and approve of the said warrants in the same manner as formerly.

The Treasurer formerly used a hand stamp across the face of the warrant to designate the bank from which the said warrant was payable, endorsing his own name and title thereon within the limits of the hand stamp.

This had a tendency to obliterate the name of the payee and amount paid, and was objected to by the banks.

To correct the fault, we have the Treasurer designate the bank drawn upon, and accept the warrant across the end of the left hand face of said warrant.

We also placed across the same end of said warrant the Cash Fund from which the same is payable, and the banks honor said warrant by payment only from cash deposited in the fund designated.

We drew the resolution authorizing the drawing upon and payment of warrants by the banks from specific cash funds, and if the method is carried out as at present, there never will be an overdraft of cash for any purpose, which is what the law directs.

The banks now understand what the City requires in the handling of cash, and are working in harmony with the Treasurer.

The law authorizes the Street Commissioner to draw an order upon the City Treasurer in favor of persons employed in the Street Department for work performed by them for the City, upon the signing of proper payroll.

It is the duty of the Treasurer to pay the orders issued by the Street Commissioner, and to keep a proper record of the account.

To reduce the work to a minimum, we designed a combination order, payroll and book of record for joint use of the Treasurer and Street Commissioner, as see "Form Exhibit No. 11."

The record is kept in duplicate, the duplicate copy being for use of the Treasurer, the original being kept by the Street Commissioner.

The Treasurer posts from his copy of the payroll to his Cash Book.

Both the Treasurer and Street Commissioner will annually have bound all current payrolls.

The payrolls are used in connection with the Petty Cash item of \$7,000.00 recently furnished to the Treasurer, and further described under the title of "The Treasurer's Office."

The Comptroller, as previously stated, now receives a copy of receipts of cash from all departments, as per "Form Exhibit No. 1."

This is the basis of entry in his accounts.

In order to assist in the control of the deposit in bank of all cash received, the Treasurer now makes out a duplicate deposit slip, designating the fund or funds to which said deposit is to be credited, as per "Form Exhibit No. 12."

After checking the deposit, the bank approves and receipts the duplicate deposit slip, returns it to the Treasurer, who files the same with the Comptroller. This gives the Comptroller proof that all receipts have been deposited in bank in the proper fund. The Comptroller keeps and has bound all deposit slips.

"Form Exhibit No. 13" shows requisition for supplies, for use of the various departments, and the order of purchase issued through the City Clerk, after approval by the Committee of Council under whose control the purchase or order belongs.

"Form Exhibit No. 14" shows the Voucher Record for use of the Comptroller in the keeping of the accounts payable.

This is a secondary and supplemental record of accounts payable, the fundamental account under the law, being that with the appropriated amounts.

All forms are made plain and simple, but sufficiently comprehensive to meet the requirements, and not increase to a great degree the labor of recording the same, as the Comptroller has no assistant.

GOVERNMENT AND PRESENT BUDGET CLASSIFICATION—

It has been only in recent years that a general attempt has been made to systematize and improve the records of recording operations in municipal corporations.

During the earlier history of all municipal corporations, practically all the entries necessary was to record the receipt and disbursement of money.

When public improvements, public service corporations, public parks and all other modern municipal innovations became a necessity, some more comprehensive method of conducting the operation of the government was necessary.

The change in method has developed rapidly in the last few years, and will continue to develop for a long period of time.

Statistics are required by the "United States Government through the Department of

Commerce and Labor, Bureau of the Census," of all cities with a population over thirty thousand.

At the first analysis of the records of most cities by the U. S. Government, it was compelled to compile from the City's record the information required, and the data was found to be far from satisfactorily entered in the records of the various cities.

Gradually the subject was developed, but practically all work is still compiled by the Government, as very few cities have systemized their work and accounts.

The National Association of Municipalities within the past ten years have taken up the subject, and the joint efforts of the Government and National Association have succeeded in developing a system of accounts and method of conducting the operation of municipal government that are most satisfactory.

This subject has also been taken up by several States of the Union during the same period, all efforts being made to reorganize the system and method of all municipalities of the State, along the same uniform lines, and placing the system under the control of the State.

On this same basis we have designed the system for your City, the results being recorded in the Comptroller's General Ledger.

The Budget for the year 1910-11 was made up before we began our work, and it has taken additional work to make the same conform in detail to the work mapped out.

Briefly stated, the accounts are divided into "General Divisions" as follows:

- A.—General Government.
- B.—Protection of Life, Health and Property.
- C.—Public Charity and Corrections.
- D.—Public Works.
- E.—Public Industries.
- F.—Public Education, Recreation, etc.
- G.—Public Debt.
- H.—Interest.
- I.—Taxation—Assessment.
- J.—Trust Funds.
- K.—Temporary Accounts.
- L.—Miscellaneous.
- M.—Cash.

Each of the "General Divisions" accounts have been divided into the following "Divisions":

- | | |
|----------------------------------|--|
| | (1. Mayor's Office. |
| | (2. Legislative Department. |
| | (3. Law Department. |
| | (4. Finance Department. |
| A—General Government | (5. Bureau of Elections. |
| | (6. Printing. |
| | (7. Buildings—not in other Departments. |
| | (8. Registration. |
| | (9. Miscellaneous. |
| | (1. Police Department. |
| | (2. Fire Department. |
| | (3. Courts. |
| B—Protection of Life, Health and | (4. Health Department. |
| Property | (5. Cemeteries. |

- B—Protection of Life, Health and Property (6. Inspection of Buildings.
Continued (7. Militia and Armories.
(8. Miscellaneous.
(1. Hospitals.
(2. Care of Insane.
(3. Homes for Aged and for Defectives.
C—Public Charities and Corrections..... (4. Alms Houses and Work Houses.
(5. Lodging Houses.
(6. Outdoor Relief.
(7. Miscellaneous.
(8. Jails, Prisons and Reformatories.
(1. Administrative Expense.
(2. Opening and Grading Streets.
(3. Street Paving.
(4. Sidewalks.
(5. Street Cleaning.
(6. Street Sprinkling.
(7. Street Lighting.
D—Public Works.....(8. Garbage Collection and Disposal.
(9. Snow Removal.
(10. Sewers and Sewage Disposal.
(11. Bridges and Viaducts.
(12. Miscellaneous.
(A—Street Repairing.
(B—River and Harbors.
(C—Engineering.
(1. Water Works.
(2. Gas Works.
(3. Electric Light Plant.
(4. City Real Estate.
E—Public Industries (5. Markets.
(6. Docks and Wharves.
(7. Transit Subways.
(8. Subways for Pipes and Wires.
(9. Miscellaneous.
(1. Schools.
(2. Libraries.
(3. Museums and Art Galleries.
(4. Recreation.
F—Public Education, Recreation, Etc..... (A—Parks.
(B—Play Grounds.
(C—Gymnasiums.
(5. Baths.
(6. Celebrations.
(7. Miscellaneous.

G—Public Debt	(1. Bonds Issued—Temporary.
	(2. Sinking Fund Requirements.
	(3. Direct Payment of Debt.
H—Interest	(1. Interest on Taxes and Deposits.
	(2. Interest on Debt.
	(A—Funded.
	(B—Temporary.
	(3. Miscellaneous.
I—Taxation-Assessments	(1. Real Property.
	(A—Lands.
	(B—Buildings.
	(2. Personal Property.
	(3. Poll Taxes.
	(4. Liquor Licenses.
	(5. Franchise Tax.
	(6. Receipts from Franchise Rights.
	(7. Special Assessments.
	(A—Street Openings.
J—Trust Funds, Etc.....	(B—Street Pavings.
	(C—Sidewalks.
	(D—Sewers.
	(E—Other Purposes.
	(8. Miscellaneous.
	(A—Firemen's Pension.
	(B—Police Relief.
	(1. Temporary Tax Loans.
	(2. Revenue Credited to Sinking Fund.
	(3. Refunds, etc.
K—Temporary Accounts	(As may develop.
	(A—Balance beginning of year.
L—Miscellaneous	(B—Receipts.
	(C—Disbursements.
M—Cash	(D—Balance close of year.

The General Ledger of Hoboken is designed so that it will be possible to enter any or all of the "Divisions" of account above enumerated, or to add any additional classified account that may be desirable to open during the year.

The Budget classification of your City is such that it is not necessary to open accounts with all divisions designed, but the scope of the accounts is made complete.

Adjustments may be made without difficulty.

More elaborate detail could have been incorporated in the system, but we have incorporated only such detail as will be necessary to a thorough understanding and control of the affairs of the City.

A bill was introduced into the New Jersey Legislature at the last session to provide for a uniform system of accounts in municipalities, the provision of the bill being similar to the bill enacted and in complete operation in Ohio, California, etc.

Apparently it will be but a short period of time until there will be a State law governing the method of operation of municipalities in this State, and when that time does come,

Hoboken will have practically the system which is sure to be introduced, as there is no question but what it will be modeled after the methods now in operation, and approved by the U. S. Government.

The City will thus have the advantage of having the system installed, which is sure to be adopted by the State.

The system designed places the records and accounts in such form that they can be used under any form of government, whether it be the commission form or otherwise.

COMPARISON OF COMMISSION FORM OF GOVERNMENT AND GOVERNMENT CLASSIFICATION OF ACCOUNTS.

In considering the classification, method and system provided for your City, designed as to classification according to the requirements of the Department of Commerce, Bureau of the Census, U. S. Government, said government classification being approved by the National Association of Municipalities, it may be well to here insert the divisions of the so-called Commission Form of Government, known as the "Des Moines Plan for Civic Government by a Mayor and Four Councilmen," inasmuch as a law was enacted during the session of the New Jersey Legislature just closed, which authorized the adoption of the Commission Plan after certain requirements have been complied with.

The "Des Moines" form of government show divisions as follows:

The Mayor is "Superintendent of Department of Public Affairs, Legal Department, Police Court, City Clerk, Library."

One Councilman is "Superintendent of Department of Public Safety, Police Department, Fire Department, Health Department."

One Councilman is "Superintendent of Streets and Public Improvements, Engineering, Public Utilities, Bridges, Paving, Sewers, Street Lighting, Grading, Sidewalks, Curbing, Streets and Alleys, Street Cleaning, Culverts."

One Councilman is "Superintendent of Department of Accounts and Finances, Treasurer, Auditor, Markets, Assessor."

One Councilman is "Superintendent of Parks and Public Property, Cemeteries, Public Buildings.

The divisions under the Des Moines plan are neither so comprehensive nor as elastic as the divisions approved by the U. S. Government.

At the same time a Commission Form of Government in any City can adopt the divisions and classifications best suited to its requirements, and could most easily make necessary additions or corrections, so as to be in accord with the U. S. Government, whose judgment will no doubt ultimately prevail.

The intention of the Government is to cause to be provided a uniform classification of municipal accounts and operations in every City of over thirty (30,000) thousand inhabitants, and in order to provide this, it may be necessary for each State to enact laws requiring its municipalities to conform to a State supervision of the affairs of each separate municipal corporation, though this is not demanded by the U. S. Government.

The tendency is all in one direction, viz.: to provide uniform legal methods of operation, and to uplift old, time-worn, obsolete and totally unfit business methods to a plane with the modern and improved methods of a well-organized, legally and equitably operated and well-administered commercial body.

We understand that the U. S. Government authorities are closely considering the Commission Form of Government, presumably with relation to its own specially constructed and classified method, and have no doubt that any modification necessary will be made.

The Department of Commerce employs some thirty specialists who annually go to every City in the United States having a population of 30,000 or more, and they also have about the same number of specialists in Washington, who tabulate and analyze the work of the field force.

They are constantly improving their own methods and classification, and are certainly in a position to work out the best results for all cities.

The Commission Form of Government does not in any sense interfere with the work done by the U. S. Government.

Nothing can or will benefit the management or control of affairs in your City, as will the present system installed, based on U. S. Government requirements.

The Commission Form of Government is a means toward an end, but is not a principal factor towards the best method of operation and control as has been determined by those factors which are best qualified to judge.

Working in harmony, they would produce better results probably, but the determining factor is the classification and control by Government methods.

Your City will have the proper foundation for correct work, whether it adopts an entirely new Charter, or the Commission Form of Government, or retain the old form.

Either one can be made to easily conform to the methods and classification we have prepared for you, and which are now in operation.

FISCAL YEAR OF THE CITY AND COUNTY.

The fiscal year of the City begins the first Monday in May of each and every year.

The fiscal year of the County begins the first day of December of each and every year.

The Budget of the City provides money for operating and other expenses during its own fiscal year, including the annual tax for County purposes to be provided through said Budget.

The City is compelled to borrow money for said operating expenses, from May to December of each year, in anticipation of the collection of taxes which become due and payable in December of each year.

There was borrowed during the fiscal year 1910-11, on account of said operating expenses, \$432,000.00.

This matter was not optional with the City authorities, but compulsory, and cost the said City \$7,020.69 for interest on the temporary loans.

If the fiscal year of the City and County covered the same period, the City would save the interest on borrowed money which each year must be made good through the Budget of the succeeding year.

There is also a serious question raised as to the period for which the county tax is provided, as compared with receipts and disbursements of cash by the City for its own fiscal year purposes.

The special legislative committee appointed last year to examine into school matters, brought up the same question in regard to the fiscal year of the Board of Education and suggested that the said fiscal school year should be made the same as the County and State, instead of beginning in July of each year.

If the question of the fiscal year of the City and County was definitely determined and fixed for the same period, it might very materially change the amount due the County for the period of the City fiscal year.

The said question is of such importance to this City, and other Cities of the State, as to merit inquiry and definite settlement, and a final change to one period for all departments of government in the State.

CONCLUSION.

In conclusion, we beg to say that we have been assisted in many ways by the kind attention of every Department of the City.

Absolutely no hindrance or obstruction has been placed in our way by any employee of the City.

There has been an under-current of opposition from some sources outside of the Departments that should not have been advanced, as the reasons therefor were plain and apparent.

The findings are the result of our own labor and knowledge. No advice or suggestions have been asked for or received from any officer or Department of the City that did not refer to the legal working and practical technical operation of the City Government. Personal interest in the same was not sought for, or desired by any Department.

No advice or suggestions have been asked, or sought for, from outside civic bodies or associations, and none have been accepted, though offered in one form or another.

The letter of the law and the best modern practice have been our guide alone, and not how is this or that individual or interest affected.

IT IS NOT NECESSARY TO ISSUE BONDS TO MAKE GOOD ANY SHORTAGE OR DEFICITS, FOR NONE EXIST. ASSETS HANDLED PROPERLY AS NOW FORMULATED ARE SUFFICIENT TO MEET ALL OBLIGATIONS, AND THE MATTER IS NOW A QUESTION OF PROPER FINANCIERING.

THE APPARENT ASSAULT OR ATTACK ON THE CREDIT OF THE CITY OF HOBOKEN WAS WITHOUT WARRANT OF FACT, WAS UNJUSTIFIED, WAS LIBELOUS TO THE CREDIT OF THE CORPORATION, AND APPARENTLY COMES WITHIN THE LAW OF SUCH ATTACKS.

WE ARE AWARE OF THE CONDITIONS EXISTING IN YOUR CITY, FROM ITS INCORPORATION TO THE PRESENT TIME, AND THE RESULTS AS NOW SET FORTH IN THE BOOKS OF ACCOUNT, AND THIS REPORT, CLEARS UP AND BALANCES ALL ACCOUNTS AND THE WORKINGS OF ALL DEPARTMENTS, THUS GIVING A FIRM FOUNDATION TO PREDICATE ALL FUTURE OPERATIONS UPON.

THE OPERATION OF THE CITY, AND ITS FINANCIAL CONDITION, REQUIRE ATTENTION IN THE FUTURE IN ORDER TO RETAIN THE GOOD RESULTS NOW SECURED.

PROPER ADVICE SHOULD BE AT COMMAND AT ALL TIMES. THIS DOES NOT MEAN THEORETICAL ADVICE BASED UPON CONCLUSIONS ARRIVED AT WITHOUT PROPER LEGAL FOUNDATION, AS HAS BEEN OFFERED IN SOME CASES.

Respectfully submitted,

EUGENE SHINN

HARRY F. SHINN

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